

Lawson reaffirms pledge of tax cuts and zero inflation

Howe savages Kinnock over defence policy

Sir Geoffrey Howe, attacking Labour's defence policy, said Mr Kinnock was "unfit to lead the nation"...

By Robin Oakley, Political Editor

Sir Geoffrey Howe, the Foreign Secretary, yesterday intensified the attacks on Labour's defence policy...

that Labour's unilateralist line is chiefly responsible for their own recovery in the opinion polls...

Conference reports 4, Geoffrey Smith 4, Thatcher's losers 16, Leading article 17, Frank Johnson 26

which she will also underline the theme that the Conservatives do care...

the standard rate of tax to 25p in the pound, though he did not offer a timetable...



Mr Cecil Parkinson, with his wife Ann at Bournehead yesterday, returned to a Conservative Party conference for the first time since he resigned three years ago...

Heseltine pitches for leadership

By Philip Webster, Chief Political Correspondent

Mr Michael Heseltine yesterday set out his personal manifesto for the leadership of the Conservative Party...

New measures to aid young jobless

By a Staff Reporter

A series of measures to help the unemployed were announced yesterday by Lord Young of Graffham...

Next week



Bang goes the City

Later this month the shackles come off the financial markets in the most radical reform in City history...

Portfolio

The £4,000 prize in The Times Portfolio Gold competition was won outright yesterday...

Chancellor fails to halt sliding pound

By David Smith, Economics Correspondent

The Chancellor's confident message to the Conservative Party Conference failed to reassure the currency markets...

50 injured as bus falls 60ft

By Angella Johnson

Women and children were among more than 50 people injured when a bus packed with shoppers crashed and plunged 60 feet down an embankment in a South Wales village yesterday...

Prisoner freed at gunpoint

By Stewart Teadler, Crime Reporter

Scotland Yard detectives were last night hunting a convicted robber serving 18 years who was seized at gunpoint from prison officers amid heavy traffic on a street in the West End of London...

Football chiefs get deadline

By John Goodbody, Sports News Correspondent

The Government yesterday renewed action against hooligans by insisting that the Football League introduces membership schemes in all 92 member clubs...

Pretoria tightens grip on opponents

From Michael Hornsby, Johannesburg

The South African Government yesterday tightened restrictions on its extra-parliamentary political opponents by declaring the United Democratic Front (UDF) to be "an affected organization"...

Scandal of an East-West brain drain

By Roger Boyes, East Europe Correspondent

Thousands of human brains have been smuggled out of Hungary for use by Western pharmaceutical companies in a macabre East-West corruption scandal...

FOCUS

The Queen and the Duke of Edinburgh begin a six-day state visit to China on Sunday, the first by a British monarch...

TIMES BUSINESS

Rescue off: Exel Group has abandoned its plans to rescue McCordqudale, the bankrupt printer...

TIMES SPORT

Rebel Botham: Ian Botham flew to Australia with the England cricket party amid allegations that he had agreed to join the "rebels" who played in South Africa in 1981...

TIMES RESULTS

Bar passes: Bar examination passes for the Michaelmas Term are published today...

Table with 2 columns: Home News, Overseas, Arts, Births, deaths, marriages, Business, Chess, Court, Crosswords, Diary, Events, Features, Law Report, Leaders, Letters, Motoring, Obituary, Parliament, Sale, Science, Sport, Theatres, TV & Radio, Weather, Wills

Saudi leak prompts new fear

By Nicholas Beeston

There were fears yesterday of a new diplomatic crisis between Britain and Saudi Arabia after a Scottish newspaper published in full a confidential Foreign Office dispatch critical of Saudi customs and habits...

Hopeful Reagan flies to summit

From Mohsin Ali, Washington

President Reagan said yesterday that success at the Iceland US-Soviet meeting was not guaranteed, but if Mr Mikhail Gorbachev, the Soviet leader, comes to Iceland in a truly co-operative spirit, I think we can make some progress...

Build-up to summit

By a Staff Reporter

The arrival of President Reagan in Reykjavik last night spent the end to 20 years of dark television screens in the country on Thursdays (Reuter reports)...

Curb on gas share sales

Foreigners will be prevented from cashing in quickly on British Gas shares if they are allowed to buy them in the November flotation...

Advertisement for 'The most candid political memoirs in recent history' by Jim Prior, 'A BALANCE OF POWER'. Includes a silhouette of a castle and the name 'hamish hamilton'.

£12.95, hamish hamilton, Sarah Hemmings







# Airline security officer denies Israeli plot to fix blame on Arab

An El Al airline security officer denied in the Central Criminal Court yesterday that he planted explosives on a Jordanian journalist's girlfriend.

The officer, referred to as Mr A for security reasons, also rejected claims that he was a member of the Israeli intelligence agency, Mossad.

Mr A was giving evidence at the trial of Nezar Hindawi, aged 32, of no fixed address, who denies attempting to blow up an El Al jumbo jet with 375 on board in midflight last April.

The prosecution alleges Mr Hindawi "calously" sent Miss Ann Murphy, his pregnant Irish girlfriend, to board the jet at Heathrow Airport with a bomb hidden in her bag.

Mr A, hidden behind an oak-panelled screen, said he found explosives in a false bottom of Miss Murphy's bag at the El Al check-in.

He was asked by Mr Gilbert Gray, QC, for Mr Hindawi, if he was told in advance that Miss Murphy was coming to the airport and that he should search her luggage with great care. Mr A denied the claim.

Mr Gray asked: "Had you been provided with a blue bag with brown striped leather so you could switch that bag and say it was Miss Murphy's?"

Mr A replied: "No."

Mr Roy Amiot, for the prosecution, asked Mr A if he fully understood Mr Gray's allegation.

"He has suggested you got another bag, one with the explosives in it, and switched

it for Miss Murphy's. Is there any truth in it?"

Mr A replied: "Certainly not."

Mr Gray reminded the court that the prosecution suggested that Syria and the Syrian ambassador in London might be implicated in the alleged attempt to blow up the Israeli jet.

"If Syria could be blamed or implicated in some way for placing a bomb on this flight, politically that might be an advantage to Israel. Syria would go down in the minds of the world," Mr Gray suggested.

Mr A said he was not sure, but agreed it could disturb the process of international discussions.

Mr Gray asked: "What do you understand by the word 'disinformation'?"

Mr A replied: "Telling information about something which has happened not in the way that it did happen."

When Mr Gray challenged him on whether he was a member of Mossad, Mr A replied: "No."

Mr Gray claimed that Mr A had taken Miss Murphy's bag to an empty staff room for 20 to 30 minutes before alerting British police at the airport. Mr A denied that, saying it had taken about five to seven minutes to discover the explosives in the bag.

Mr Gray suggested to El Al's chief security officer at Heathrow, named as Mr C, that there was a plot to fix blame on Mr Hindawi.

Mr Gray alleged that Mr C

had been trained by Mossad, which was denied.

Mr Gray: "If you were, you would not admit it?"

Mr C: "It is hypothetical."

Mr Gray: "But you would not admit it?"

Mr C: "Would you?" but he added: "I have nothing to do with Mossad. I am not involved in intelligence."

Mr Gray: "You are trained in security. Sometimes you have to give a false impression of what you are doing."

Mr C: "I do not know because no one told me to do so."

Mr Gray accused him of telling "less than the truth" and added: "You know there has been a plot in this case."

Mr C asked: "What kind?"

Mr Gray replied: "To fix this man with blame. Is that the position?"

Mr C told him: "I do not know anything about it."

Mr C agreed he had done 10 years' military service but said he was not prepared to say whether it was in the army, navy or air force.

Mr C agreed he had been trained in security matters.

Both Mr C and his El Al colleague, Mrs B, who gave evidence from behind the screen, refused to answer some questions from Mr Gray on grounds of security.

Mrs B told the court how she emptied the contents of Miss Murphy's bag during the search at the airline security gate.

The hearing continues today.



Princess Michael of Kent signing copies of her book, *Crowned in a Far Country*, at Hatchards in central London yesterday. During the hour-long session she signed 580 copies bought over the counter, and a further 310 ordered for delivery. The book is about princesses who married into foreign royal families. (Photograph: Dod Miller)

## Princesses aid export of fashion

By Suzy Meakes  
Fashion Editor

Princess Anne yesterday launched London Designer Week and an unprecedented royal export drive for fashion.

The Princess, in her capacity as president of the British Knitting and Clothing Export Council, visited the Reiden factory at High Wycombe, Buckinghamshire, and saw a preview of their Signatures collection for next summer.

Tonight, the Princess of Wales joins the royal fashion force as guest of honour at the British Fashion Council banquet for overseas buyers, where she will present the Designer of the Year Award.

Princess Anne has been an active and energetic president since her appointment in 1984, making up to 32 factory visits a year.

At Reiden yesterday, she viewed newly installed high technology, including computerized pattern-cutting equipment and distribution controls.

Princess Anne tends to concentrate on the industrial aspects of clothing manufacture, leaving the more high-profile designer collections to the Princess of Wales.

London Designer Week, which runs from today until October 13, hopes to present a sober, hard-working image, in contrast to the more outrageous looks recently associated with young British fashion.

Buyers will see 20 designer shows, sponsored by the British Fashion Council under the chairmanship of Mr Edward Rayne, the royal shoemaker.

For the first time these shows, and the export selling exhibition, are together under one roof at Olympia 2.

Mr Giles Shaw, Minister for Trade and Industry, is confident that this new united front will increase fashion export sales, which rose last year by 18 per cent.

"The British clothing industry, with more than 200,000 employees in many of our hard-pressed regions, and annual exports of nearly £800 million, is an important part of our economy," he said.

At the British Designer Show, 240 companies will show their wares to 8,000 buyers. Last year, the clothing and textile industry, exported fashion worth £162 million to the American market and £555 million to EEC countries.

## Lorry that killed three 'braked gradually'

A driver whose lorry knocked down and killed three girls as they walked home from school told an inquest at Maidstone, Kent, yesterday that he thought he had driven over roadworks.

"I could not understand how it happened," Mr Eric Nicholl, aged 32, said in a statement. Relatives of the girls wept as the statement was read out.

Lianne Berry, aged seven, Sadie Wilkins, aged nine, and Marie Stone, aged 10, all from Maidstone, died when the lorry hit a group of children and mothers as they left All Saints Primary School at Hayle Road on May 20.

Mr Nicholl said his trailer began to "judder and bounce" on the wet slipstream road as he approached an S-bend and he applied an exhaust brake, a system which usually results in gradual braking.

"Quickly I was off the exhaust button," Mr Nicholl said. "I felt the back of the trailer lift but I am not sure on what side."

"I quickly looked in both mirrors and thought I must have gone over some roadworks. At no time did I feel I was going too fast."

Police Constable Edward Edwards showed the jury a video of the way trailers' wheels lock when the exhaust brake is applied, using excessive air pressure.

"These results tend to support the conclusion that the accident in Hayle Road was caused by excessive air pressure to the trailer brakes," he said.

The inquest was adjourned until today.

## Computer could help cut costs, NHS told

By Jill Sherman

Regional health authorities have been asked to draw up information plans to ensure that National Health Service resources are used more effectively.

Launching a national framework for NHS management information, Mr Michael Fairry, director of the NHS management board, called on regions to set up their own strategies based on national guidance to provide, cost and monitor information in their districts.

Better information could reduce waiting times in hospital outpatient departments and ensure that doctors and nurses were given the necessary support to provide efficient patient care, he said.

Mr Fairry, director of planning and information technology, said that doctors and nurses should play a greater part in management decisions and needed to have the necessary information to run their departments.

The health service should be spending at least £1 billion on information technology each year, representing 1 per cent of the budget for hospital and community health services although no new money would be provided, he said.

Dr David Hewett, district medical officer at Winchester Health Authority, and a member of the board's information advisory group, said that doctors had no idea of the cost of admitting a patient or the separate cost of pathology tests, X-rays or nursing resources.

"Clinicians should be responsible for these resources, but at present they lack the necessary financial information," he said.

An information system could ensure more efficient scheduling in outpatient appointments, Dr Hewett said, and reduce unnecessary and frustrating waits because ambulances failed to transport patients at the right time.

Computer terminals in wards would also stop the chaos of someone physically having to check if there were any empty beds to admit a patient.

Information could also be relayed by computer to the community nurse or the general practitioner when a patient was discharged.

## Ex-Civil Servant's sole win

A retired Civil Servant is the sole winner of yesterday's Portfolio Gold prize of £4,000.

Mr John Langley, aged 70, from Staunmore, north-west London, has played the Portfolio Gold game occasionally since it started in *The Times*.

"But I am glad I played it today," he said.

"I could not believe my eyes when I saw that I had matching numbers. I felt absolutely incredulous."

Mr Langley, who works part-time for a London solicitor, said he intended spending the prize money on new furniture. "And I will use some of it for a holiday."

Readers who wish to play the game can obtain a Portfolio Gold card by sending a stamped addressed envelope to: Portfolio Gold, The Times, PO Box 40, Blackburn, BB1 6AJ.



Mr John Langley, who felt absolutely incredulous

## Three-day-old baby gets a pacemaker

Surgeons have fitted a three-day-old girl with a heart pacemaker, it was disclosed yesterday.

She is believed to be the youngest child in Europe to undergo the operation, which was carried out at Royal Manchester Children's Hospital by a team of surgeons led by Dr Yvonne Sibley, consultant paediatric cardiologist.

A hospital spokesman said: "The baby was born on Sunday, five weeks prematurely. She is suffering from congenital heart block."

"When she was only five hours old she needed a temporary pacemaker. A permanent pacemaker was inserted when she was 72 hours old."

The baby, whose parents live in the Manchester area, has not been named.

## Farmhouse massacre Bamber 'hated his mother'

By Michael Horsnell

Mrs Muggford said Mr Bamber hated his mother.

She said: "He resented her for sending him away to boarding school. He couldn't understand why she had adopted him only to send him away. He said she never showed him any affection."

Mr Bamber allegedly spoke of his mother as a religious maniac and blamed her for making his stepister mad.

During one conversation Mrs Muggford had with him in her kitchen he made it clear that he wished to dispose of his parents' effects, keeping just one memento — the photographic portfolio of Sheila.

Mrs Muggford said: "Jeremy disliked his mother immensely and I felt he was more affectionate to me. He used to call me mummy all the time. He offered me his mother's small car which had been bought that Christmas. This was just after the shooting. A list had been drawn up and he was going to keep no mementoes, which I thought very strange. He said he wanted to sell everything, and that it was a pity I had just bought a car."

On other occasions he said his mother was absolutely mad and confirmed her plan to change the will in one chat they had during Easter 1985 only a few months before the murders.

Mrs Muggford said: "He told me she was thinking of changing her will. I asked 'Do you mean in favour of Sheila and the boys', and he replied, 'No,

just in favour of the boys'. He said that she hated them."

Earlier her daughter, Miss Julie Muggford, who was Mr Bamber's girl friend at the time of the massacre denied that she had done all in her power to blacken him.

Under cross-examination by Mr Geoffrey Rivlin, QC, she said: "I am only telling you the things that Jeremy told me. I don't need to add anything. I don't like saying any of this. I hate it."

Turning to the events shortly before the murders in which the prosecution has alleged that Mr Bamber strangled rats at his parents' farmhouse to test his willpower before allegedly murdering them, she spoke about marijuana which she said he had grown at the farm.

Miss Muggford, aged 22, who was asked by Mr Rivlin how he could have caught the rats, replied: "I don't know. But I remember he was laughing about how the rats had eaten his marijuana and that it had slowed them down."

She admitted that on occasions she joined Mr Bamber in smoking marijuana.

Miss Muggford denied that in the weeks after the killings she had comforted her former boy friend.

She said: "I questioned him and asked him what had happened. If that is comforting him, so be it. You ask him how affectionate I was. I didn't like him even to touch me."

The trial continues today.

## IRA boy took guns to killers

A youth who was involved in the Provisional IRA murder of a part-time soldier when he was aged 13 was jailed for seven years yesterday.

Paul Smyth had been recruited into the junior wing of the Provisionals by a woman teacher shortly after his thirteenth birthday and a month later transported the rifles used to kill Thomas Graham, of the Ulster Defence Regiment, five years ago.

At Belfast Crown Court the prosecution did not proceed with a murder charge. Smyth, aged 18, from Lisnakea, Co Fermanagh, admitted membership of the junior wing of the Provisional IRA and eight counts of collecting information about the movements of the security forces and transporting the weapons.

Sentencing Smyth, Mr Justice Carswell said that he had carried the weapons "voluntarily".

## Car phone needs just one word

Drivers who use their car telephones while driving can be prosecuted for reckless driving - but if they pull out to the hard shoulder to make their call they can be prosecuted for causing an obstruction.

The problem of distracting drivers has bedevilled car telephone technology since the first ones were installed. Now British Telecom has taken the "hands off" car telephone to the limit, with a device that enables drivers to dial numbers by speaking the name of the person they want.

The Telecom Topaz has a memory which matches recorded phone numbers against key words such as "home", "office", "mother" or "Fred" to dial a driver and the machine does the rest.

Mr Charles Barker, director of marketing for British Telecom Mobile Communications, said: "All our existing car phones have a 'hands free' facility.

"With voice control we've simply taken that concept a stage further, and we think, made a significant improvement in road safety."

● A new computer link which allows micro-enthusiasts to communicate across the Atlantic at budget rates and at the same time gives access to large European and American information banks is being launched this week.

The service comes from a deal between Microlink, of Deal, Kent, and Mnet, of New York.

## 'Crushed' girl was to buy gift

Keighley Barton, whose stepfather allegedly murdered her and then watched her body being put into a car crusher, planned to buy a birthday present for her brother on the day she disappeared, the Central Criminal Court was told yesterday.

The girl, aged 14, went missing while walking her dog in August last year.

Her mother, Mrs Theresa Barton, of Forest Gate, east London, said: "As she went out with the dog we were pulling faces and joking."

Her body has not been found, but the prosecution allege that Ronald Barton, aged 46, a minicab driver, told a fellow prisoner he watched as his car, containing the girl's body, was crushed.

Barton, of Clapton, east London, denies abduction and murder.

The trial continues.

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## BBC to launch awards for design

By Beryl Downing

The BBC will be taking an unprecedented step to back British products this winter by launching a design awards scheme in which the viewers will be the final judges.

There will be three programmes leading to the awards, which will be announced early next summer.

Goods which pass the initial selection by a chosen panel of judges will go on display in city centres. Viewers will be asked to vote at the exhibitions or through forms in the *Radio Times*.

The first programme, not yet scheduled, but possibly at the end of next month, will ask manufacturers and designers to send submissions for the initial sifting-out by a panel of invited judges but the final decisions will be by popular vote.

"This is the most ambitious attempt the BBC has made to make the public aware of design," Mr Christopher Martin, executive producer of the BBC's Television Arts Department, says.

"It will certainly not be product promotion. There will be background stories on the

people involved in the designs, the judges will be seen arguing and discussing their merits.

"There have been a lot of programmes where design gurus and mandarins have had their say, and they will still have a voice, but the final decision will be made by the viewers' ballot."

The enterprise will be serviced by the Design Council. There will be one overall prize winner, who will receive a specially commissioned piece by Lucie Rie, one of the world's most distinguished potters.

# For whom the poll tolls

As Mrs Thatcher rises to address her followers at Bourne-mouth today, will it please her to know that more than half of her traditional supporters think that Dr David Owen has a more attractive personality than she, and a third of them think he would make a better Prime Minister?

Also in this week's Spectator, Caspar Weinberger imagines how Nelson would have fared if he had to put up with an interrogation by the modern American Senate.

And Alice Thomas Ellis in Egypt explains how a three-day-old *Daily Telegraph* gave the impression of Britain going mad.

Cling to sanity this week, buy *The Spectator*.

This week, The Spectator launches a new poll. Instead of going to the country, we have gone to the top with a survey conducted by the Harris Research Centre to discover the views of the most influential people in Britain.

This week: Should she go? Can we afford to lose her? Is she embarrassing on the television screen?

In its first outing, our Spectator Poll asks the questions about the Government and the Prime Minister that no one at Conservative Central Office dares face.

The heads of the civil service and industry, of the church and the City reveal an unusual mixture of support for, and unease about Our Leader.

THE SPECTATOR



CONSERVATIVE PARTY CONFERENCE Zero inflation • Help for jobless • Scottish rates reform

EMPLOYMENT Measures to help jobless are announced

Three initiatives to combat unemployment were announced by Lord Young of Graffham, Secretary of State for Employment, in a speech to the conference in which he emphasized the caring nature of the party and the Government's achievements.



Bournemouth personalities: The Chancellor (left) yesterday and, at a conference ball, Mr Denis Thatcher dancing with Miss Julie Aston.

Chancellor aims at zero inflation

Mr Nigel Lawson, Chancellor of the Exchequer, made clear in his speech to the Conservative Party Conference in Bournemouth yesterday that his aim was still to cut the standard rate of income tax to 25p in the pound.

RATES Rifkind tells of Scottish reform

The Bill to reform the Scottish rating system on the principle that those who benefit from local services should make a contribution, will be put before Parliament early in the new session.

COMMENTARY Labour's 'gift' on defence

Mrs Thatcher will be speaking today to a party in more confident mood than would have been predicted at the beginning of this conference season.

ECONOMY

Lawson is given full support

The conference carried by an overwhelming majority a motion, to which the Chancellor replied, applauding the sharp reduction in inflation and urging the Government to continue its policies.



Lord Young: "You will not be forgotten".

Hurd comes under fire

By Richard Evans, Political Correspondent Mrs Mary Whitehouse, the anti-pornography campaigner, clashed with Mr Douglas Hurd yesterday over his plan to allow child abuse victims to give evidence in court by video.

FOREIGN AFFAIRS

Kinnock policies derided by Howe

Mr Neil Kinnock's comment at last week's Labour Party Conference that he would not let his country die for him came in for criticism from Sir Geoffrey Howe, the Foreign Secretary.

Tory thought curbed 'by fear of leaks'

By Nicholas Wood, Political Reporter earlier in the year when he said that council estates bred crime and poverty, called for an overhaul of the Conservative Party structure to recapture the intellectual momentum of 1974 when Sir Keith Joseph and Mrs Margaret Thatcher began to question the doctrines of the post-war consensus.

FARMING Attack on New Zealand is rejected

A sharp attack by a Yorkshire representative on New Zealand for becoming an anti-British socialist state and a suggestion that the preference for New Zealand dairy products should be ended were rejected by Mr Michael Jopling, Minister of Agriculture, Fisheries and Food, at the end of the debate on food and farming.

ENVIRONMENT

Planning to be updated

The Government intends to bring planning decisions closer to the grass roots while not abandoning planning controls, Mr William Waldegrave, Minister for Environment, Countryside and Planning, told the conference.

Threat of full sterling crisis

He has to emphasize this, as he must know that nothing could so swiftly lose the ground gained in this conference as a full-blown sterling crisis with sharply rising interest rates. But I do wonder how much scope he will now have for further cuts in income tax.

Table with 2 columns: Ministers Table, listing names and positions.

Large vertical advertisement on the right side of the page, featuring the text 'Building arrears fears for' and 'Decision near'.



# Building societies say arrears rising amid fears for future trend

By A Staff Reporter

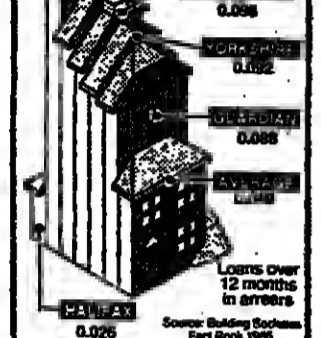
Five building societies have reported an increase in mortgage arrears to double the industry average for 1985, amid concern that the situation will deteriorate further in the next three years if present lending policies continue.



Warnings that relaxed lending procedures have led to a disturbing rise in arrears and repossessions have proliferated since *The Times* began its Home Front series last week.

Government ministers and financial experts are anxious about the social consequences of the growth in arrears and repossessions, which has been caused partly by increased lending multiples and high percentage mortgages.

At the top of the building societies' mortgage arrears table...



ble is the Cheltenham and Gloucester, with arrears on total outstanding mortgages of 0.186 per cent, nearly four times the industry average of 0.049 per cent.

Second place is occupied by the Town and Country, with arrears of 0.108 per cent. The Yorkshire, Bradford and Bingley and the Guardian all recorded double the average.

This contrasts sharply with the larger societies, many of which showed arrears well below the average. The Halifax, Britain's largest society, recorded arrears of 0.026 per cent, and the Abbey National had arrears of 0.043 per cent.

Different building societies use different methods to calculate arrears, so the figures are not directly comparable. None the less, they do indicate underlying trends.

and 1983. But, he insisted, "we run a tight ship". He said that the high figures were based on "honest and accurate disclosure", unlike other societies which had only recently relaxed their lending criteria.

Mr Brian Grinyer, deputy chief executive of the Town and Country, rejected the allegation that the smaller societies had been too lax in their lending policies. But he said there had been a rise in lending to first-time buyers, "who are more likely to end up in arrears because of marital problems, unemployment and financial mismanagement".

Mr Ralph Pyett, assistant general manager for the Yorkshire, said that the principle of 100 per cent home loans was "a material factor in the increase in arrears which has forced us to cut back on this type of lending".

Mr Pyett said: "The Yorkshire suffered particularly as a result of the effects of the miners' strike, many of whom are still trying to recover from accumulated arrears. We allowed the miners to fall behind in payments, but we had very little choice".

The Yorkshire experience highlights the growing political sensitivity to society policies on arrears and repossessions. At present most building societies go out of their way to assist borrowers who have fallen behind in repayments, and attempt to repossess only as a last resort.

But the growth in competition, and the consequent increase in lenders' profit margins, could force them to take a much harder line.



Police bringing in one of 13 suspected football hooligans arrested in dawn raids in West Yorkshire as part of Operation Unruly after a riot at a recent Bradford-Leeds match.

## 'Fat Man' says police mistaken

Terence Matthews, a scrap metal dealer, yesterday denied he was the "Fat Man" who led Chelsea Football Club supporters on an "orgy of violence".

Mr Matthews, aged 26, who weighed more than 19 stone when arrested, told a jury at the Central Criminal Court that a police witness was mistaken when picking him out as the leader of a 30-strong mob which attacked rival fans at Stamford Bridge.

He also said he had no connection with a "vicious" attack on a manager of a public house in Chelsea after the game against Manchester United on December 29, 1984.

Mr Matthews, a father of four from Wandsworth, south-west London, said he went to the game alone and later took his wife, Tracy, for a drink at Henry J Bean's public house in Kings Road.

He pleads not guilty to charges of riot, affray and causing grievous bodily harm to Mr Neil Hansen, the public house manager. The trial was adjourned until today.

## Police swoop on football suspects

By Ian Smith

Operation Unruly swung into action at dawn yesterday when police officers swooped on the homes of football supporters and arrested 13 people suspected of involvement in the Odsal stadium football riot in Bradford last month.

Troublemakers were identified by police video recordings at the ugly scenes when rival fans at the Bradford-Leeds game on September 20 tried to tip a van containing boiling fat on top of a crowded stand and almost caused a repetition of the disaster last year when 56 supporters were killed.

Police were inundated with calls when they released their video recording for public viewing last Friday and yesterday's early morning raid by uniformed officers and detectives resulted from information supplied by many relatives and friends of those arrested.

Mr Denis O'Toole, assistant chief constable of West Yorkshire police, said later: "Public response has been tremendous, even friends and relatives have come forward to give every help they can."

## Murder on pre-parole

There had been an investigation into the case of William Anderson who murdered a man within a week of release on pre-parole home leave, during the currency of a sentence for stabbing and robbery, the Earl of Calthness, Minister of State, Home Office, told peers during question time.

He explained: The Parole Board had full information in front of it. It did not have a psychiatric report, but that could have been provided had they wished it. The Government is satisfied the decision to grant Anderson parole was taken in the light of adequate information about his background and record of offending.

Lord Boyd-Carpenter (C): This case and the concern it caused the judge who tried the subsequent murder case, illustrates the heavy responsibility on the shoulders of those who release dangerous men on parole.

Lord Misham (Lab): This incident must be regarded with horror by everyone. But it would be extremely dangerous and wrong to take an unfortunate case of this kind and try to apply to it a general rule in regard to the granting of parole.

### PARLIAMENT OCTOBER 9 1986

## Whose home if couples part?

### HOUSE OF LORDS

The difficult housing and rehousing problems involved for local authorities, housing associations and voluntary bodies when couples, married or unmarried, separate are to be investigated by a Department of Environment working party with a view to legislative changes.

This was announced by Lord Sainsbury, Under Secretary of State for Environment, during the resumed committee stage in the House of Lords of the Housing and Planning Bill. The Opposition, in pressing for action, feared there would be further long delay and forced a division. However, the Government had a majority of one, the Labour amendment being rejected by 94 votes to 93.

The amendment sought to insert in Schedule 2 of the Housing Act 1985 grounds for possession of a dwelling when a relationship broke down.

Lady David (Lab), for the Opposition, said representations had been received for a number of years from local authorities, housing associations and voluntary bodies that a change of law in this area was required.

The proposal in the amendment would be voluntary on the landlord and would only work when one or other of the parties requested a determination. The Opposition wanted to help sort out difficult and distressing situations in a shorter time than recourse to divorce or matrimonial courts involved.

Lord Sainsbury agreed this was a difficult area. Proposals to make relationship breakdowns a ground for possession were by no means new and were resisted at the time of the 1980 and 1984 Housing Acts principally because it was felt this ought to be settled under matrimonial legislation rather than by the public sector landlord.

He recognised there was support for the proposed amendment. The situation in Scotland was not a valid precedent but he accepted it was time they had another look at policy on this point. Officials had already written to the London Borough Association and the Institute of Housing.

Once pressure of work on this Bill had subsided, the department would set up a working party to consider carefully the situation in England and Wales. It was complex, involving interaction of housing and matrimonial legislation. An assessment of the consequences of possible changes must be made.

This could not be done in time for this Bill. The amendment might well not be the way to go about it.

### Next week

Business in the Lords next week will be: Monday: Housing and Planning Bill, committee stage; Tuesday and Thursday: Financial Services Bill, report stage; Wednesday: National Health Service (Amendment) Bill, committee stage; Friday: European Communities (Amendment) Bill, committee stage.

### Parliament today

Lords (11): Debate on completion of EEC internal market.

## Decision near on Army music unit

By Michael Evans, Whitehall Correspondent

The Ministry of Defence is on the point of resolving the controversy over the future of the Armed Forces' three military schools of music.

A decision two years ago to abolish the Army's school at Kneller Hall, Twickenham, south-west London, and the RAF's centre of music at Uxbridge, west London, and to merge them at Deal, where they would join up with the Royal Marines, proved unpopular and the ministry was forced to think again.

But now it seems that the ministry's desire to have one defence school of music, based at Deal, may still be realized after an independent inquiry by consultants. Another site at Eastney in Portsmouth is also a possibility.

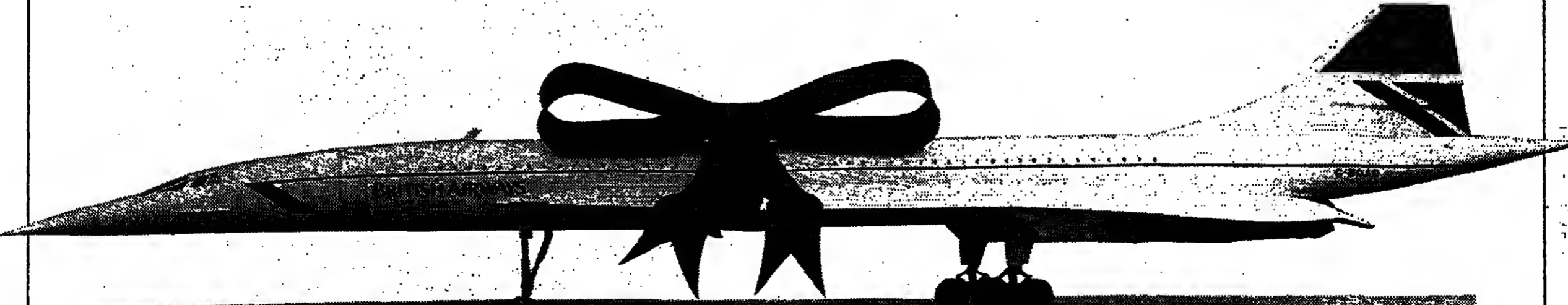
The report by Arthur Young Associates has been given to Mr Roger Freeman, junior minister for the Armed Forces, and a decision is expected to be announced in the Commons later this month.

The ministry still believes that a single school is the answer. An official said: "The possibility of keeping all three schools is very remote".

If it sticks to the Deal or Eastney option, the political controversy promises to continue because last December it was admitted that the cost of establishing one school at Deal would be marginally more expensive than maintaining the present system of three centres of music.

# The Concorde Challenge is almost over.

(But don't worry, there are still more prizes left than many other competitions start with.)



Every day there are still 10 Concorde holidays to Miami to be won. Every week there is still a one-year unlimited travel pass for two to be won. And there's still Concorde to be won for a day. You can enter everytime you fly with us from or within the UK. But hurry, the competition ends on October 31st.

**BRITISH AIRWAYS**  
The world's favourite airline.

Sarah Hemmings



# H-bomb power 'tamed' in laboratory tests by British scientists

By Pearce Wright, Science Editor

The power of the H-bomb has been harnessed for the first time in a machine in the laboratory. Temperatures of more than 100m degrees centigrade were reached, when atoms of heavy hydrogen fused together three weeks ago in a machine called JET, at Culham in Oxfordshire.

The process has been repeated in the United States, with temperatures approaching 200mC in the sort of fusion reactions that mimic the processes which fuel the sun.

In principle, the "tamed" version of the reaction that liberates energy in the hydrogen bomb could produce enough power for the world's needs for thousands of years.

The fuel it uses is deuterium, or heavy hydrogen, abundantly available in the oceans.

Unlike the present day nuclear power stations, which split the heavy uranium atom into 100 radioactive waste products, fusion involves forcing two hydrogen atoms together. When they combine, they form the inert gas, helium.

The energy released in the process would provide the source of power for electricity generation.

Some waste would arise because the metal used to

forge the vessel for the fusion machine would become radioactive from neutron bombardment.

There is a controlled modesty among the scientists at the JET laboratory at Culham, and at Princeton in the United States, about the breakthrough. The technical papers reporting their achievements have yet to be published.

But their diffidence has another explanation. They remember a hiatus, more than 25 years ago, when British physicists suggested mistakenly, from experiments with a machine called Zeta, that they knew how to control thermonuclear fusion.

Yet the latest apparatus in Britain and the United States in which fusion has been achieved, by the union of atoms of deuterium, incorporates ideas tested on Zeta.

But many other modifications that come from fundamental discoveries in the physics of nuclear reactions are included.

As even the most heat-resistant materials melt at temperatures around 2,000C, it is a challenge to create a hearth for a furnace of earth which burns as brightly as the sun, at more than 100mC.

The answer demonstrated at Culham by a European

team of 500 top scientists and engineers, working with Dr Paul Rebut, the French physicist, depends on creating magnetic bottles.

The JET machine is a £200 million project under a EEC research programme.

Fusion takes place inside a doughnut-shaped vessel. But within that there is an invisible, powerful magnetic container that restricts the super-hot ribbon of heavy hydrogen to a ring smaller than a thread of cotton.

The trick of squeezing the material together, until it becomes fluid-like in the form of a plasma, and then fuses, rests on magnetic confinement. Other ways are being tried using lasers.

The magnetic type of machines are known as Tokamaks. In addition to JET, at Culham, and the TFTR at Princeton, there is another in Japan and one in the Soviet Union.

The JET machine is experimental equipment to prove that fusion can be controlled.

At the end of next month the machine will be modified for the next phase of research destined to end in 1990. Only then, will designers know how the understanding of fusion reactions can be translated into a practical power station.



Twelve people were severely injured yesterday when a double-deck bus plunged 60 feet down a steep embankment in the village of Pontrhydyfan, near Port Talbot, west Glamorgan. The top of the bus, which was packed with shoppers, was ripped off in the crash which is believed to have been caused by a burst tyre. More than 50 people were taken to hospital.

## Runcie proposes union with radicals

By Clifford Longley  
Religious Affairs  
Correspondent

A new church unity movement to bring together theological radicals and traditionalists was proposed yesterday by the Archbishop of Canterbury, Dr Robert Runcie, in a lecture at Yale University.

The price of neglecting this would be new splits and fragmentations in all the churches, he said.

Dr Runcie is in the United

States to deliver a series of lectures at Yale and Harvard universities on contemporary theological themes.

Referring to the controversy surrounding the Bishop of Durham's liberal theological views, Dr Runcie said that the existing ecumenical movement, between churches divided by earlier quarrels, was beginning to answer questions no one was asking any more, and "achieving peace where there was no longer war".

In contemporary controver-

sies, such as over the ordination of women or the literal truth of the Virgin Birth and Resurrection, there was little dialogue between opposing sides, "only caricature, slogans, and mutual anathemas".

In an implicit rebuke to the bishop he added that in his experience there was none so intolerant as a high-minded liberal churchman.

"It is the case that a conservative will have much more in common with a traditionalist in another

church than with a radical in his own. The new boundaries are not denominational."

There was an urgent need to take seriously the insights of both sides. "If we do not pursue this task the tensions within all the churches will increase until there are new splits and fragmentations."

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Build-up to Reykjavik: ● US controversy ● Boost for Warsaw ● Summit scene

White House fights back after the Kalb bombshell

From Christopher Thomas Washington

The White House, forced on to the defensive over revelations of a campaign of deception and disinformation to threaten the Libyan leader, Colonel Gaddafi, claimed on Wednesday that "no reporter was deliberately misled by our efforts whatsoever."

Mr Donald Regan, the White House Chief of Staff, said: "I think a lot of this talk about our lying has been overblown, misunderstood. I will assure you that we have not lied to anyone. We did not try to lie to anyone."

Most journalists disagree. Mr Bernard Kalb, the journalist-turned-spokesman for the State Department resigned on Wednesday in protest at the disinformation campaign designed to keep Colonel Gaddafi in uncertainty over US intentions against him.

Mr Kalb, known during his time as chief State Department spokesman to part reluctantly with information, said on Wednesday that he had never knowingly given out false information.

Mr Regan, speaking on US television before heading off to join the President on his flight to Iceland, acknowledged the authenticity of a leaked document written by Admiral John Poindexter, the National Security Adviser, which stated the row.

The document stated of the controversial policy: "One of the key elements is that it combines real and illusionary events, through a disinformation programme, with the basic goal of making Gaddafi think that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the United States is about to move against him militarily."

In August, Administration officials began telling journalists that Colonel Gaddafi was involved in requested support for terrorism which could lead to another attack on Libya by US forces. In fact, it now transpires, there was no evidence to back up the statements.

Mr Kalb, aged 64, said that since he first read details of the document in the Washington Post, his days and nights had been marked by personal anguish. "I was concerned with the impact of any such programme on the credibility of the United States and what the word of America meant," he said.

On Tuesday night he walked into the office of Mr George Shultz, the Secretary of State, to resign. Afterwards, his voice straining with the emotion that he frequently displays, he acknowledged that the timing on the eve of the summit was unfortunate.

But Mr Kalb understands diplomacy. Mr Kalb, the son of Polish and Russian immigrants, covered diplomatic news for many years for CBS and NBC television networks. He has worked for The New York Times, has been a correspondent in South-East Asia.

His first major job in journalism was for The New York Times, which he left to 1961 after 15 years. He has co-authored two books.

Libya attacks 'lies, trickery'

London (Reuters) - Libya's official Jama news agency said today the resignation on Wednesday of the US State Department spokesman, Mr Bernard Kalb, had exposed the Reagan Administration's

moderation, and the MFN decision penalizes experts. The package of economic sanctions was agreed, with some difficulty, by Nato in 1982, soon after the imposition of martial law and the banning of Solidarity. As Poland has relaxed some of its policies - ending internment and freeing political prisoners in a series of amnesties - so sanctions have dropped away and the United States has lifted its objection to Polish membership of the International Monetary Fund.

The US decision to remove the remaining sanctions is the result of a combination of factors. First, there is the Polish initiative not only to free such prisoners as the Solidarity underground chief Mr Zbigniew Bajak, but also to establish a new consultative forum between the authorities and "moderate" dissidents. There is also the fact that the Reagan administration has been criticised for its handling of the MFN decision.

Second, there is the "spirit of Reykjavik", a spirit yet to be bottled. There is apparently some hope that Reykjavik will be more effective than the "get acquainted" summit in Geneva in spreading East-West conciliation beyond the arms-control arena.

The Polish prime minister, Cardinal Jozef Glemp, the Pope and the Solidarity chairman, Mr Lech Walesa, have spoken against sanctions. Mr Bajak and some other underground leaders are more sceptical, saying sanctions could still serve a useful purpose in ensuring that Polish authorities do not again round up the Solidarity opposition.

The Assistant Secretary of State specializing in Eastern Europe, Miss Rozanne Kildegaard, says the US has told Warsaw it was pleased with the "Solidarity amnesty and that has helped to bring about changes of direction.

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Denmark peace congress

From Christopher Follett Copenhagen

The Reagan-Gorbachov talks in Iceland this weekend threaten to overshadow a controversial international peace conference here.

The World Congress devoted to the International Year of Peace will take place in the Danish capital from October 15 to 19 to mark the United Nations Year.

More than 2,000 participants from 132 countries will discuss disarmament, human rights, nuclear-free zones and other issues.

The Congress is being organized by the Helsinki-based World Peace Council an umbrella organization for peace groups all over the world which has been attacked in the West as being controlled by the Soviet Union. The Copenhagen Congress is the first to be held in a Nato country.

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The atmosphere was so relaxed that at 9 am it was still possible for this reporter to knock on the white froot door of the summit venue and be greeted by a polite, unarmed Icelandic policeman. Inside the former British Consular residence (which in its time has housed both Winston Churchill and Marlene Dietrich), bunches of gladioli were being fussily rearranged under modest chandeliers.

Hours before, the Government passed emergency legislation to enable it to commandeer all buildings in the vicinity for the duration of the summit. The Icelandic coastguard has also been ordered to moor one of its ships offshore.

The only other armed security men from the Icelandic side will be the 20-strong anti-terrorist unit, the self-styled

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The squad, which is something of a joke among most Icelanders ("They are just the fittest 20 lads we have got," an official admitted), will be backed by 400 regular policemen and 250 auxiliaries. They in turn will be assisted

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Also in place is the huge armour-plated black Zil limousine sent from Moscow to transport Mr Gorbachov. Iceland has agreed that Soviet and US marksmen will guard all rooftops along the routes to and from the venue.

"Of course, we are nervous about security, the chief police spokesman, Mr Karl Johannsson, said. "I am sure the people in charge are looking forward to next Sunday as much as children look forward to Christmas. But we are confident that because of our special geographic location there will be no attacks."

He added as we lunched off a mountain of boiled fish in the police canteen: "We have had the airport closed to those without legitimate business here since before the summit was announced. Everyoone knows everyone in Reykjavik, so we think an outsider would find little chance of launching an attack.

For security reasons, Mr Gorbachov had still not informed the Icelandic authorities by last night whether he would be sleeping on the Russian floor oow moored in Reykjavik harbour or to the Main Hotel, where the presidential suite has been reserved for him. President Reagan will be sleeping in the US Embassy.

US will lift Poland sanctions

From Roger Boyes, Warsaw

The United States will lift one or both of the remaining economic sanctions against Poland soon after the Reykjavik summit between Mr Mikhail Gorbachov and President Reagan, according to senior diplomats in eastern Europe.

The move, long awaited by Warsaw, which expected a swifter and a more enthusiastic Western response to its recent amnesty of political prisoners, should put relations between the United States and Poland on a normal footing after years of bitterness. Early this year General Jaruzelski, the Polish leader, told Communist Party delegates that the Washington-Warsaw relationship was at "rock bottom".

The two remaining sanctions are a freeze on new credits to Poland and the suspension of most-favoured trading status (MFN). The credit squeeze hurts Poland's industry which relies on a large inflow of fresh money for modernization, and the MFN decision penalizes experts.

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President Reagan embracing his wife Nancy as he leaves Washington for the summit meeting in Reykjavik with Mr Mikhail Gorbachov, the Soviet leader.

Iceland tightens security in its own relaxed style

From Christopher Walker, Reykjavik

Icelandic workmen were busy yesterday erecting a 30ft hessian anti-sniper screen around the neat three-storey white (and reputedly haunted) wooden house where President Reagan and Mr Mikhail Gorbachov, the Soviet leader, will hold three meetings at the weekend.

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Three die in Mafia revenge shooting

Messina (AFP) - Three people, two of them former convicts, were shot dead in a hospital waiting room here in what police said appeared to be a Mafia revenge killing. A 13-year-old boy with them escaped unhurt.

One of the dead was among the 474 accused in a large Mafia trial now underway in the Sicilian capital, Palermo.

Killer snakes Dhaka (Reuters) - Snakes killed at least 20 people and 10 others drowned when a boat capsized, raising the death toll in Bangladesh monsoon floods to 70.

Nato boycott Brussels (Reuters) - Greece will boycott a Nato naval exercise in the Mediterranean on October 15 apparently because of its dispute with Turkey and the status of Greek forces on Lemnos.

Shuttle tests Cape Canaveral (Reuters) - Escape procedures will be tested on the new space shuttle Atlantis, yesterday rolled out to the launch pad from which seven doomed Challenger astronauts blasted off on in January.

Damages paid Oslo (Reuters) - Libya has paid Norway \$345,000 damages for illegally detaining a Norwegian freighter and its crew in 1984.

Costa thirsty Madrid - For the second time in two months large areas in the western end of Spain's Costa del Sol are without drinking water because of a rains failure.

Rock visit Gibraltar - General Bernard Rogers, Nato's Supreme Allied Commander for Europe, left Gibraltar after a two-day visit.

Greens' plea Bonn - West Germany's ecologist Greens party called for sweeping bans on the sale, consumption and advertising of cigarettes, alcohol, sugar and sweets.

Duke warns Tokyo (Reuters) - The Duke of Edinburgh warned here that the condition of the natural world was getting so bad that "the future of mankind itself is beginning to be at risk."

Food delayed Khartoum (Reuters) - An airlift of famine relief supplies to south Sudan was called off for the second time in nine days.

Debate brawl Brussels (Reuters) - A parliamentary debate on the sackings of a French-speaking mayor for not having a sufficient knowledge of Dutch was suspended after a brawl.

Detainee dies Paris (AFP) - Amnesty International said that the Bahraini political activist Hachem Ismail al-Alawi, detained for a year in a Bahrain jail, has died.

Hot and lazy Louisiana, divided by culture, cuisine and colour, whose dirty politics bring saucers of decision from the more sophisticated states, is suddenly a central battleground in the Republican Party's struggle to become a real force in southern politics.

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The Republicans believe Louisiana is one of the most vulnerable senate seats in 1986. For 38 years it has been held by Senator Russell Long, who is retiring.

Two veteran members of the House of Representatives are fighting to fill the breach, both right-wingers in their parties who preach almost indistinguishable political ideologies.

The outcome will probably be determined by personality, campaign money and party loyalty rather than by issues like the 14 per cent unemployment rate, the highest in the country after West Virginia. The oil-dependent economy, which boomed in the 1970s, has been hit severely by the oil price slump.

"This is supposed to be an election, not an auction," his rival scoffed.

Much of the money has come from the independent oil industry. And the Republican Party's sophisticated computer-backed fund-raising apparatus has brought obvious results.

Sensing strong disapproval with the scandal-ridden

Democrats, Mr Moore says: "We are offering voters what they haven't had, a candidate with no ties to the political insiders, to kickbacks, scandal and corruption."

That simple theme has eaten away at his rival's lead, but with the black vote still a monolithic Democratic force Mr Moore is fighting strong odds. On present showing he might capture 40 per cent of the votes next month, according to party officials. But they note with satisfaction that whites continue in greater numbers to switch their traditional allegiance.

In a series of commercials aimed at the working-class white vote, one woman describes how Mr Moore helped her after her home was flooded, a teacher recounts his solicitude when the schoolhouse burned down, a farmer and his son tell how he helped to get a crop loan.

Mr John Breaux, aged 41, the Democratic contender, has been put on the defensive. He has been embarrassed by a Republican advertising campaign pointing out his poor attendance record in the House of Representatives. He missed 1,083 votes in 15 years, although he found time for more than 30 trips abroad funded by the taxpayers.

His close association with Governor Edwards (they were law partners) has also proved a handicap, particularly in his fund-raising effort. The Democrats are nevertheless confidently that he will win, which indeed he must do if the party is to stand any chance next month of overturning the 53-47 Republican majority in the Senate.

Republicans' Louisiana battleground

Scandal threat to Democrats

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# O'Brien cancels Cape lectures after threat of violence on campus

From Michael Hornsby Johannesburg

The Irish scholar and journalist, Dr Conor Cruise O'Brien, has cancelled his remaining three lectures at the University of Cape Town after being informed by the Vice-Chancellor that if he went ahead there was likely to be serious violence on campus.

Dr O'Brien also had to abandon plans yesterday to give a pre-lunch lecture at the University of the Witwatersrand in Johannesburg when militant students, predominantly black, made it clear that he would be shouted down if he tried to speak.

In an interview with *The Times*, Dr O'Brien, who was visibly upset by his experience, said he had been the target of an "academic necktie" — a reference to the petrol-soaked tyre used in the black townships to burn to death people deemed to be government collaborators.

Opposition to Dr O'Brien's presence in South Africa began to build last week as he came to the end of a five-week course of 15 lectures at the University of Cape Town. The last three of 12 lectures he gave were seriously disrupted. "I was put in the position where if I went on, and someone was badly hurt, I

would be responsible, and I didn't want that," Dr O'Brien said. "The militant students are feeling their power, and I think they will try and extend it over other students, over the faculty and over the university as a whole."

Before he left for South Africa last month with his adopted black son Patrick, Dr O'Brien wrote an article in *The Times* passionately

criticizing the international academic boycott of South Africa. He wrote that he would be glad to have his visit to Cape Town seen as "a gesture of defiance against an intellectually-disreputable attempt to isolate what I know to be an honest, open and creative intellectual community."

Students at Witwatersrand yesterday refused Dr O'Brien an uninterrupted hearing and offered instead to engage in an "open debate" with Dr O'Brien on the issue of the

academic boycott but he declined what he called "another punishment session".

Last Thursday at Cape Town students asked, "Why have you come here to mock the suffering of the people?" Dr O'Brien said.

Opposition to the visit comes mainly from black students belonging to the Azanian Students' Organization (Azaso), an affiliate of the United Democratic Front (UDF), a broad multi-racial alliance of anti-apartheid groups. A minority of white students also support the academic boycott.

About 15 per cent of the students at the two universities are black. Both universities are staunch opponents of apartheid and practise a colour-blind admissions policy. Inferior schooling and lack of financial resources severely limits the number of blacks who gain entry.

The Government also has the power, so far not invoked, to impose a ceiling on the number of blacks entering "white" universities if it thinks the proportion is becoming too high. Black students are not supposed to live on campus, though many do in defiance of the law.



Mr David Steel, the Liberal leader, walking with a child from Cape Town's black squatter community yesterday.

# IRA nets £5m from Norwegian fish fraud

From Tony Samstag Oslo

The Norwegian banking establishment, among the most tightly controlled in Europe, is reeling after reports that the IRA has pulled off a bizarre swindle involving up to £5 million.

A man, described as a known IRA sympathizer, is said to have pulled off an elaborate scam involving tons of stockfish, mostly dried cod, which were to be sold to Nigeria. The Irishman was paid more than £2 million while acting as intermediary in the deal, involving the Tromsø Savings Bank (TSB), a leading Norwegian exporter, and the Northern Bank of Dublin Bank, which acted as guarantor.

But at some stage a large part of the catch went missing — and so did the Irishman. There is little doubt here that the cash has gone straight to the IRA.

"We hope it is a dream," said Mr John Schjelderup Olaisen, a director of the TSB. "It is almost as if we can't believe we have woken up."

According to the Norwegian Ministry of Foreign Affairs the fish exporter concerned, a family firm based in northern Norway, faces bankruptcy in the deal, which is said to have totalled almost £15 million.

# Kohl's party brims with confidence for January poll

From John England, Bonn

If self-confidence alone could win a general election, the West German federal poll in January would be a steal for Chancellor Kohl and his Christian Democrats (CDU).

They are now brimming with a sureness about themselves and their future that borders upon hubris following their pre-election congress in Mainz this week.

Heid against a background of encouraging opinion polls and a further dip in unemployment in September, Herr Kohl echoed the conviction of the 780 delegates when he said: "We are the government party."

Barring accidents, to which Herr Kohl in the past has been prone, in the run-up to the election on January 25, he may well prove to be right. Despite a relatively dull keynote speech, he has emerged from the conference with greater standing in the party both as its national chairman and as Chancellor.

His leadership is not in question, there is no obvious crown prince waiting in the wings, and the CDU is rallying around him in a display of unity that must be worth a few extra points in the polls.

The party's *Manifesto for the Future*, presented in Mainz by Dr Heiner Geissler, the witty, sharp-tongued CDU secretary-general, was also an exercise in confidence of government in the 1990s.

The document, with its emphasis on "humanized" new technology, caring programmes for families and the elderly, protection of the

environment and efforts for peace, stakes a claim to territory occupied so far by the Social Democrats (SPD) and the Greens.

One West German newspaper commented yesterday: "The manifesto is half-baked, but represents the first attempt by the CDU to take the initiative in this debate."

Another newspaper said: "The manifesto is meant mainly for the campaign, but even a conservative party has good chances here to hold its own in this debate and maybe a better one than the competition."

Herr Kohl's confidence about the outcome of the election led him to scotch any idea of a so-called Big Coalition with the SPD in the event of a tight finish. The last alliance of this kind in Bonn was in 1966-69.

Herr Kohl believes he can stand upon the record of his conservative-liberal coalition of the last four years.

The CDU's slogan for the election campaign is: "Carry on Germany — for a good future." In other words: "No experiments," the slogan with which Dr Konrad Adenauer did well in the 1950s. Herr Kohl has described himself as the "grandson of Adenauer," who held the chancellorship for 14 years.

The slogan was well received by the party faithful in Mainz, and will probably hit the right note among voters even if Herr Kohl may never match the years in office of his political grandfather.

# Nicaragua to charge American

From Alan Tomlinson Managua

An American whose plane was shot down over Nicaragua on Sunday as it dropped supplies to US-backed rebels may soon face trial here on a number of charges, possibly by a military court, a Government official said.

Miss Angela Saballos, a Foreign Ministry spokeswoman, said the method by which the American, Mr Eugene Hasenfus, would be tried was still being studied.

Mr Hasenfus is the first American to be captured during the four years that the United States has been assisting the Contras.

Asked what charges he might face, Miss Saballos replied: "Oh, so many things." They included violating Nicaraguan airspace and aiding enemies of the state. The Nicaraguan Army alleges he is a United States military adviser stationed in El Salvador and has publicly produced identification issued by the Salvadorean Air Force.

The US Government has emphatically denied this, claiming the captured man belongs to a group of private American citizens who are assisting the Contras.

The State Department complained on Wednesday that American officials in Managua were being denied access to Mr Hasenfus. Embassy officials were called to the Foreign Ministry on Wednesday night to be told they will be allowed a consular visit to the prisoner. They will also be given the remains of the two Americans who died in the incident, William Cooper, the pilot of the plane, and Wallace Blaine Sawyer, the co-pilot.

The US officials were handed a formal protest note describing the affair as "irrefutable proof that the central American conflict is accelerating towards a Vietnamisation with tragic costs in human lives".

● WASHINGTON: Two congressional inquiries are to be launched into the arm-carrying cargo plane shot down in Nicaragua (Christopher Thomas writes). Most congressmen seem satisfied with White House and State Department denials of government involvement.

# Shuffle in Army aids Pinochet

From A Correspondent Santiago

Promotions and retirements in the Chilean Army appear to strengthen the hand of its commander, President Pinochet.

Among the seven retiring generals are General Luis Danus and General Gaston Frez, who represented a mildly nationalistic line within the Army. They were critical of the prevailing economic policies of the "Chicago boys" (disciples of the strict monetarist theories of Dr Milton Friedman).

General Danus, administrative head of Chile's southernmost region for the past two years, had cultivated good relations with the Roman Catholic Church. President Pinochet has had various clashes with the hierarchy recently, despite the impending visit of the Pope in April.

General Danus was also friendly with the outspoken US Ambassador, Mr Harry Barnes, with whom the President is scarcely on speaking terms. General Danus had been due to retire this year, but General Frez's departure was unscheduled.

President Pinochet now appears to have cleared his own top ranks of possible dissidents. He needs to have his hands free to deal with the growing dissent in the other three services.

In the Navy, the only force which could seriously challenge him, the annual round of promotions announced last month seems to have strengthened the band of the "professionals" who favour an orderly retreat from government on schedule in 1989.



General Humberto Gordon, new junta member.

# British Everest expedition

## Leader orders descent to recover strength

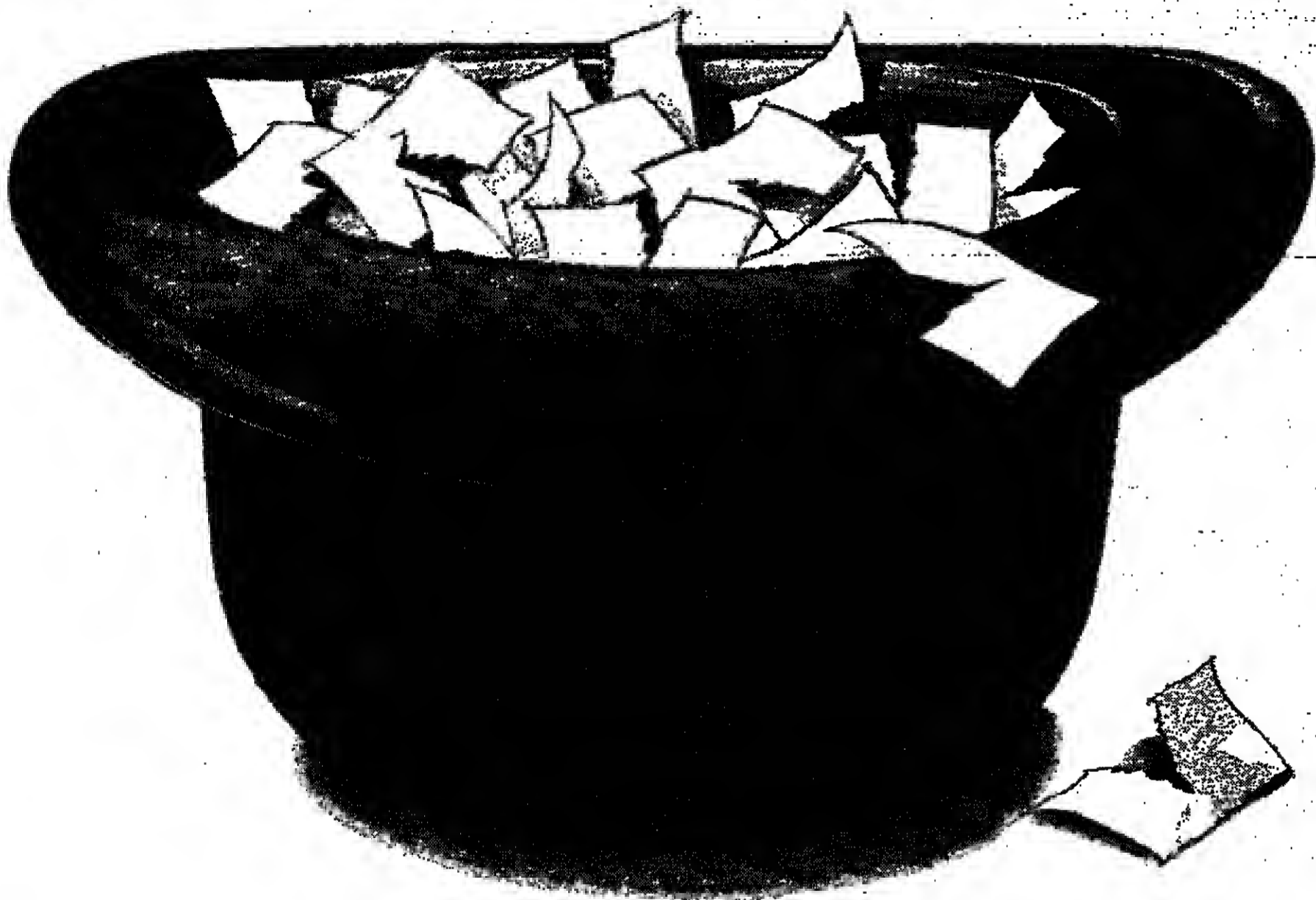
From Ronald Faxx, North-East Ridge, Mt Everest

The leader of the British expedition attempting to climb the previously unclimbed north-east ridge of Mount Everest, Mr Brammie Stokes, has decided to withdraw most of the climbers from the mountain when Camp Three, at nearly 26,000 feet, has been stocked. The camp is immediately in front of the pinnacles, high spires of rock and ice which should prove the difficult crux of the climb.

He said: "Considering the bad snow conditions and a storm that sent everyone down the valley for a week, progress has been quite good. Unfortunately last the 18-

some kind of health problem: head, chest or stomach, so the original plan of having teams of four taking turns to push the route forward has been abandoned.

The climbers will descend to base camp at 17,000 ft on the Rongbuk glacier to recover strength. British and American teams are now attempting to climb Everest. The British team, known as the Selwyn Harris Mount Everest 1986 Expedition, is working on the expectation — based on weather records — that the best time for a post-monsoon summit bid is in mid-October, after which the freezing jet-stream winds descend to make



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Assad ready to stem tide of Islamic fundamentalism

Syria's alliance with Tehran under strain as Gulf War push nears

Syria's growing concern that Iran may occupy large areas of Iraq if its forthcoming offensive is successful is producing signs of strain in the Tehran-Damascus alliance.

A statement by President Assad that Syria "would not accept the occupation of Iraqi territory" provoked considerable anger in Iran, and the Syrians suspect that the mysterious kidnapping and subsequent release of their Consul in Tehran last Friday may have been a response to the President's words.

Syria remains a principal conduit for arms supplies to Iran. The Iranians have become so troubled by President Assad's remarks in the critical period before their offensive that the head of the Iranian Revolutionary Guards, Mr. Mohsen Rafiq Doost, has been dispatched to Damascus for what is officially described by the Syrians as "an exchange of important information".

Mr Doost is anxious to find out exactly what President Assad meant when he said in an interview with Jordanian journalists last month — that Syria would not accept the occupation of Iraqi land "by any party, because it is Arab land".

The Syrians have always said that their support for Iran in the Gulf War would not include an Iranian invasion of Iraq, even though President Saddam Hussein's Baathist regime in Baghdad is hated by the Assad Government.

When the Iranians captured part of the Fao peninsula in Iraq on February 12, the Syrians discreetly forgot to invoke their condition, but a

From Robert Fisk, Beirut

full-scale Iranian offensive along the Gulf War front lines in the near future could not be so conveniently ignored.

King Hussein of Jordan has been trying to persuade President Assad to counsel restraint on the Iranians — a commodity in short supply in Tehran — but Damascus is still heavily dependent on cheap Iranian oil to support its weak economy.

The best the Syrians can hope for is an influential role

Moscow will send back to Iran industrial experts withdrawn last year when Israeli air raids escalated. Tehran Radio said yesterday (Reuter reports).

President Gromyko of the Soviet Union told the new Iranian Ambassador in Moscow, Mr. Nasser Kheirani Nohari, that the experts would be returned "to consolidate economic co-operation between the two countries", the radio said.

in preventing the spread of the war to the Arab oil states along the Gulf littoral. This, at least, is what the Syrians themselves have been trumpeting to their Arab neighbours.

The situation, however, is complicated by two other factors. President Assad's fears for Syria in the event of an Iraqi collapse, and the continuing drama of the American and French hostages in Lebanon, whom he has said he will try to free.

The "Islamic Jihad" movement, which holds most of the hostages, is pro-Iranian by sentiment but apparently not under Tehran's direct control. The curious abduction of Mr. Iyad Mahmoud, the Syr-

ian Consul in Tehran, last week was seen in Damascus as a warning by some elements of the Tehran Government that President Assad had gone too far when he objected to the possible results of the Iranian offensive.

Mr Mahmoud's kidnapping by gunmen driving an ambulance and his subsequent release was reported with distinct reluctance in Tehran and Damascus as both sides tried to belittle the importance of the incident.

If the Iraqi regime collapses Syria will become the only ideologically secular Arab state left in the area. It might be only a matter of time after the defeat of Iraq before the Iranians cast covetous eyes upon the more fundamentalist of President Assad's opponents inside Syria.

The Muslim Brotherhood in Syria — though shattered in 1982 by the legions of Mr. Rifaat Assad's "defence brigades" at Hama — still exist within the predominantly Sunni Muslim community.

The Sunnis of central Syria have many close ties with the Sunnis of the northern Lebanese city of Tripoli, whose leading preacher, Sheikh Sa'eed Shaaban, has already declared for an Islamic republic in Lebanon.

The Syrians have been quite prepared over the past six years to watch Iraq's painful losses in the Gulf War, but they are in no mood to contemplate the logical results of an Iranian victory, a tide which could lap across the borders of Iraq in ways every bit as devastating as a military offensive.

UN envoy bids to halt Iran offensive

From Zoriana Pysariwsky New York

Señor Diego Cordóvez, the United Nations Under-Secretary-General, is to visit the Gulf region in the hope of forestalling a huge Iranian offensive and exploring ways of bringing the war between Iran and Iraq to an end.

His peace initiative follows a directive issued by the UN Security Council, which on Tuesday adopted unanimously a resolution urging Señor Javier Pérez de Cuellar, the Secretary-General, to intensify his mediation efforts. The council strengthened its call for an immediate ceasefire and withdrawal of forces on both sides to their internationally recognized borders.

According to the council measure, Iran has until the end of November to make at least a tentative gesture of good will. It is hoped that by that time it will have either carried out its offensive with less than resounding success or lost the opportunity through indecisiveness. In either case it might be dispirited enough to begin bargaining for peace.

Señor Cordóvez will aim to strengthen the hand of the moderate faction in Iran and to prompt the leadership to be more amenable to an understanding that the war should be kept on simmer if not actually brought to a close.

Foreign ministers from the neighbouring Gulf states expressed alarm in the debate that the conflict might spill over their borders, despite Iran's claims that it was seeking a regional arrangement to prevent a wider war.

It was this concern that prompted the 21-member Arab League to request the urgent council meeting.



President Mitterrand showing his skill at table football at the opening of a foundation for orphans in Paris. His opponent is the singer Jean-Luc Lahaye, who created the foundation.

EEC protests after Jakarta kills nine

By Nicholas Beeston

Indonesia yesterday announced that it had executed nine communists after 21 years of imprisonment, bringing swift protests from the EEC and human rights groups.

The armed forces spokesman in Jakarta, Brigadier-General Pieter Damanik, said the men, all aged in their 50s and 60s, were shot by firing squad after all appeal procedures were exhausted.

In London, Lord Avebury, chairman of the Parliamentary Human Rights Group, condemned the delayed executions and claimed they were intended as a warning to political dissidents in Indonesia.

"It is doubly inhuman to keep someone in prison for a lifetime and then execute him," he said.

Islamabad accused of atrocities

From Hasan Akhtar Islamabad

Miss Benazir Bhutto, chairman of the opposition Pakistan People's Party, has alleged that security forces have burned down several villages in Sind and committed atrocities as vengeance against her party, a Lahore newspaper reported yesterday.

This new type of crime culture had been introduced by the Government on the pretext of eliminating dacoits (bandits) she said.

She related claims that her party had failed and said that in spite of repression which led to the arrest of 20,000 political workers in August and the deaths of scores of people, it had been successful.

Russians search for missing polar base

Wellington (Reuter) — The Soviet Union is mounting a large expedition in an attempt to save an Antarctic research station thought to have disappeared in the Weddell Sea region, the Novosti press agency said yesterday.

The agency said that an IL 18 transport aircraft left Moscow earlier this week for the Antarctic.

The plane would be followed by six ships, including the supply vessel Mikhail Somov which last year had to be rescued after being trapped in pack ice for several months.

The station, Druzhnaya 1, is unmanned during the southern winter. Its apparent disappearance was announced last week after Soviet scientists said satellite photographs of the area showed no trace of the buildings.

Novosti said the station was built near the edge of the vast Filchner ice shelf between the Antarctic peninsula and the Queen Maud Land region.

Parts of the constantly moving ice shelf split into huge icebergs — each about 60 miles across — last week.

Scientists said last week that it was unclear if the station had fallen into the sea or was floating undetected on an iceberg.

Druzhnaya 1 was set up in 1976 to conduct geological and physical studies in the Weddell Sea area, Novosti said. Argentine and British stations in the area were apparently undamaged.



Israeli President optimistic

Herzog says Arabs favour negotiation

From Ian Murray, Jerusalem

The Arab population of the occupied territories has rejected the idea of a military struggle against Israel and is seeking a solution to the Palestinian problem through diplomatic means, according to President Herzog in an optimistic interview with The Times.

Although there is still support for the Palestine Liberation Organization (PLO) in the territories, he said, it was only conditional. The people would only support the PLO if it abandoned armed struggle and tried to reach a negotiated settlement.

He talked privately with Palestinians from the territories every week. "I am not going to say that they are going to become prominent members of the Zionist movement overnight, but they do say things here that they would never dare say outside, because they are frightened of terrorist activities."

"But many, many of them



Mr Herzog: Arabs have set aside military solution.

Peres threatens rupture if peace talks frozen

From Diana Geddes, Paris

Mr Shimon Peres, the outgoing Israeli Prime Minister, said here yesterday that he would not hesitate to provoke a rupture in the coalition Israeli Government if the Middle East peace process he began were frozen.

Mr Peres is due back in Israel today, after a two-day visit to Paris. Although the visit was described as private, he met with President Mitterrand of France yesterday, and on Wednesday with M. Jacques Chirac, the French Prime Minister.

Talks centred on the Middle East and that area's links with terrorism in France. Mr Peres paid tribute to the French Government's firm treatment of terrorists.

He made it clear, however, that Israel had no intention of agreeing to a UN request to withdraw its forces from southern Lebanon.

Asked whether he thought Syria was implicated in the recent spate of Paris bombings, he said: "Until now, Syria has played an important role in international terrorism."

Asked about possible Iranian links with the bombings, he said there was an Iranian

have told me that while they would never, of course, want to live under Israeli rule, they would never want to live without an association of some sort with Israel, because of their exposure to our democracy... they do not accept our position or point of view, but if they were free to go without danger of assassination, they would go a very, very long way."

He admitted there were problems with extremists, but these were becoming common throughout Arab countries.

The movement towards peace was going on all the time by what he called "an imperceptible" process. "Ten years ago he would have been laughed out of court if he had predicted that one day it would be possible to catch a bus from Tel Aviv to Cairo, but now this happened every day. He was sure it would be possible to catch a daily bus from Jerusalem to Amman long before another 10 years passed."

"We have become part of the Middle East... certainly the concept of negotiation which Israel is accepted. The debate is now on what conditions do you negotiate."

Next week's handover of the prime ministership from Mr Shimon Peres to Mr Yitzhak Shamir would not stop the "imperceptible process". The search for peace, he said, had not so far reached a point where the various party positions would create a stalemate. He claimed credit for having realized two years ago that the public wanted a coalition.

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Asked about possible Iranian links with the bombings, he said there was an Iranian



# Academy hits at Tito and calls for end to party monopoly

From Dessa Trevisan, Belgrade

A group representing some of Yugoslavia's most outstanding intellectuals is the first official institution openly to condemn the Communist Party's political monopoly and has called for the introduction of political pluralism.

The Serbian Academy of Sciences, in a draft memorandum published in a Belgrade newspaper, has warned that unless liberal reforms are introduced the current federal system may disintegrate.

The memorandum, which was to be sent to the Federal Assembly, is implicitly critical of the late President Tito and the Communist Party's past national policies. It states the present federal system is a continuation of the old, much-detestated communist policies.

Government authorities have accused the Academy of harbouring Serbian nationalists and of aspiring to political power.

As well, a letter signed by 19 prominent Belgrade intellectuals, including many members of the Serbian Academy of Sciences, which calls for greater democratic freedoms,

has been sent to the Yugoslav Parliament. The letter demands fundamental changes in the political system, the abolition of the party monopoly, freedom of the press and immediate free elections.

"No one can hold power forever and indefinitely only on the grounds of his earlier victories and merits," the letter states.

Prison case: The Foreign Minister, Mr Raif Dizdarevic, regretted yesterday that Washington had dramatized the case of a Yugoslav-born man sent to prison in Yugoslavia, for joining protests to the US at Yugoslav policy.

The Reagan Administration had indicated outrage over the jailing for seven years of Pjer Ivezaj, aged 30. The Yugoslav news agency Tanjug, reporting his trial, described him as a Yugoslav citizen. The US said he was a naturalized American.

The Titograd court was told that protests had been held in Detroit, Washington and Chicago in favour of Albanian nationalists in the mainly-Albanian Yugoslav autonomous province of Kosovo.



Zhang Meijun (right), master of woolen embroidery in Shanghai, putting some last minute touches to his portrait of the Queen before it is presented to her as a gift from the city.

# Royal visit to a Shanghai cleared of decadence

From Robert Grieves, Shanghai

When the Queen visits Shanghai next week the city she will see will bear little resemblance, except in its crumbling architecture, to the decadent seaport of the 1920s and 1930s.

Gone are the opium dens, the race track, the stark contrast between rich and poor, and the civic cold-heartedness that allowed 35,000 homeless people to die on the streets in a single year in the 1930s.

Gone too is the glamorous city built by merchant princes such as the Sassoons and the Harboons, the glittering metropolis that inspired Noel Coward to write *Private Lives*, and that became famous for the beauty of its women and the wealth of its underworld criminals.

Instead the Queen and her entourage will find a relatively boring but complex city of 12 million people, once the largest in China but now eclipsed by Shanghai's 13.8 million population.

Shanghai is the city that China looks to for the lead in fashion and for quality products. The label "Made in Shanghai" sells goods in a country where brand-name marketing is still in its infancy.

Today Shanghai faces a host of problems. Its sources of water for human consumption and for industry are growing scarce as its water

table becomes increasingly polluted.

Its roads are crumbling, and it needs a subway as well as more bridges across the Huangpu. Less than 50 per cent of telephone calls within the city are completed, and the average living space per person is less than 16 square feet.

Most vexing of all, at least in the eyes of Peking's leadership, is Shanghai's failure to match other regions of China in developing its industrial and

reformist policies, are deliberately sabotaging efforts to carry them out.

Western businessmen have also become fed up with Shanghai. "The Shanghaiites think that because they have a reputation for cutting shrewd business deals they have to stick it to the foreigner every time," the representative of a Western company here said.

In the past two years IBM, Nike shoes and Crocker Pacific Trading Corporation, along with other companies, have pulled out of the city.

When Mr Zhao Ziyang, the Premier, visited Shanghai in December 1984, he effectively told the leaders to get their house in order. Perhaps as a direct result, Mr Wang Daohua, the Mayor, was ousted last year and replaced by Peking's man, Mr Zhang Zemin.

So far Mr Zhang has kept a low profile, prompting Western speculation that an internal clash between hardliners and Dengists has temporarily halted Shanghai's wooing of foreign business.

Still, Shanghaiites are better off now than they were in 1980, when Royal Navy vessels visited the port city. "The people are better dressed and more cheerful than last time," Commander John Ellis, captain of *Amazon*, said. "The city is quieter, there are fewer bicycles and more modern cars."

## The Queen in China

commercial base along the lines of Mr Deng Xiaoping's open-door policy.

Shanghai officials claim that this is because the city was more developed to begin with and because the Peking Government skims the cream off its productivity in the form of taxes. The city generates one-seventh of China's entire tax revenue.

One reason for its development problem is that it is still a centre of old-line Maoism. During the 1966 to 1976 Cultural Revolution Mrs Jiang Qing, Mao's wife, and the Gang of Four made Shanghai a left wing stronghold. Some Western diplomats believe that die-hard Maoists, disgraced by Mr Deng's

## Ershad rounds up dissidents

From Ahmed Fazl, Dhaka

More than 70 dissidents were arrested and politicians' homes searched in Bangladesh on Wednesday, followed Monday's ban on demonstrations. Violation of the ban carries a seven-year jail term.

The arrests, in which prominent members of Sheikh Hasina's Awami League were rounded up in Dhaka and three other big towns, came as she and other leaders pledged

to hold a grand rally to the capital on Monday.

General Ershad, who retired as Army chief in August, is the candidate of the Jatiyo Party.

He declared in Jessore district that Sheikh Hasina was committing acts of treason by allegedly asking the Army to overthrow his Government.

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## US Navy ships to pay port call on Qingdao

From Our Correspondent, Peking

Three US Navy warships will visit the Chinese port of Qingdao next month, Mr Caspar Weinberger, the American Defence Secretary, has announced.

Last year a scheduled US Navy port call at Shanghai was postponed when a controversy arose over whether the ships were carrying nuclear weapons.

It is Peking's policy not to

allow foreign ships carrying nuclear weapons into Chinese ports. Washington's policy is neither to confirm nor to deny the presence of nuclear weapons on US naval vessels.

The three vessels involved in next month's port call — a Spruance class destroyer, a guided missile carrier and a guided missile frigate — will visit Shanghai from November 5 to November 11.

## Columbus landfall is resolved

From Christopher Thomas, Washington

It seems that Columbus did not land on the Bahaman island of San Salvador. After five years of computer-aided research, the National Geographic Society has concluded that he dropped anchor at an uninhabited speck of an island known as Samana Cay, 65 miles to the south-east.

The findings are based on a new translation of Columbus' log and the discovery of the true length of 15th century Spanish units of nautical measurement. Archaeological digs have uncovered Indian artefacts on Samana Cay, lending further credence to the story.

Mr Joseph Judge, a senior associate editor of *National Geographic*, said: "We believe we have solved, after five centuries, one of the grandest of all geographic mysteries. We think we have demonstrated conclusively that this matter is finally settled. Most of the history books are wrong."

San Salvador was known as Watling until it was changed in 1926 to correspond with the name Columbus gave to his landing site. Archaeologists have worked there for countless years to build up a picture of the lifestyle of the Indians Columbus supposedly encountered when he landed. Nobody has really bothered with Samana Cay, a nine-mile long patch of land.

The study involved historians, archaeologists, navigators, cartographers and other experts. If Samana Cay was the landfall site, it would prove that Columbus was a remarkable seaman, since it is surrounded by treacherous reefs and coral heads. For scores of years scholars have argued in favour of at least nine islands along a 400-mile arc to the Bahamas and to the south as Columbus' first landfall.

*National Geographic* is certain that nearly all experts will be convinced by the findings and many have already announced their conversion.

## Widows in visit to war graves

Jakarta (Reuters) — Indonesian Army buglers sounded *The Last Post* and the Union Jack dipped to half-mast yesterday as 24 British widows, paid last respects to husbands killed in World War Two.

The group arrived early this week to visit the graves of their husbands for the first time, reawakening grief dormant for more than 40 years. "I didn't think we should ever come here," Mrs Joy Reynolds said in a trembling voice.

For Mrs Olga Parnham the visit to her husband's grave evoked feelings of strangeness and sorrow. "I spent only 10 days with him after we were married in 1941 and never saw him again," she said after the poignant 15-minute service at an Allied Forces cemetery in Jakarta.

Yesterday they went to look for their husbands' graves in the well-landscaped cemetery grounds. The experience seemed to leave them drained as they sat slumped in the chapel, sobbing and holding each other.

Nearly 1,000 identified soldiers from Commonwealth nations are buried in the Pulo Menteng cemetery. Another 225 lie in graves marked: "Known unto God."

Thousands of British troops were killed or captured in land, air and sea battles when Indonesia — then the Netherlands East Indies — fell to the Japanese on March 12, 1942. Hundreds died in wretched conditions in prisoner of war camps on Java, Borneo (Kalimantan), the Celebes (Sulawesi) and the Moluccan Islands.

British and Dutch prisoners from Java were among thousands forced by the Japanese to work on the infamous Burma Railway, whose sufferings were chronicled in the novel *The Bridge on the River Kwai*.

After the Japanese surrender some survivors brought back to Java wooden railroad sleepers that were fashioned into the cross in the chapel of the Allied cemetery in Jakarta.

## Rash of strikes dents Swedish efficiency

From Christopher Mosey, Stockholm

Foreigners living in Sweden are constantly amazed by the country's remarkably efficient infrastructure.

Public transport is the most obvious example with buses, the Stockholm Ujderground and commuter trains all running punctually.

But today no buses will run in Stockholm and on Sunday the Underground will be closed. Commuter trains will no longer leave on time. Earlier this week buses in several provincial towns ceased running.

The reason is industrial action by public sector workers claiming pay parity with the private sector.

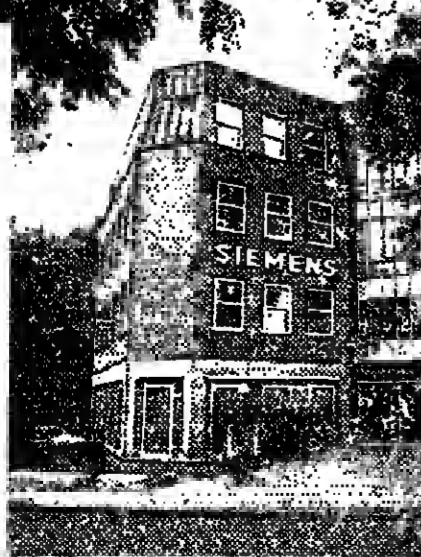
The same basic dispute has led to the cancellation of all operations except cancer cases at Danderyd, one of Stockholm's main hospitals.

Nearly 620,000 workers are involved in some form of industrial action.

There is mounting pressure on the Government to step in, but no sign as yet that the Prime Minister, Mr Ingvar Carlsson, is ready to do so.



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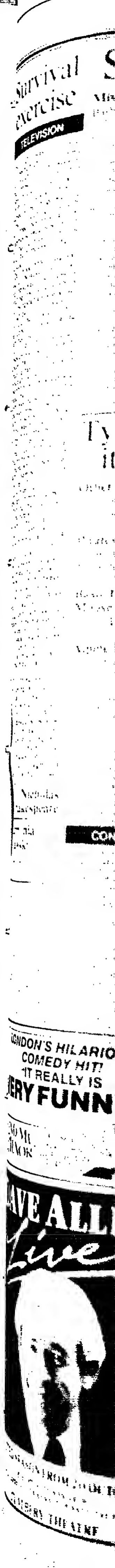
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THE ARTS

Survival exercise

TELEVISION

Last night was the most depressing night of television I have watched. In the week of the party conference... Government's... which the Lord Chief Justice warned of the "huge wave of crime" threatening to engulf us - three exceptional programmes showed how this is no longer a country for old men, the homeless young or the sick.

This Week (ITV) took one hospital, Newcastle General, and presented the simply appalling conditions in which the nursing staff are operating. Though patients in intensive care have doubled since 1980, the number of nurses treating them has risen only 15 per cent. For the first time more nurses are leaving the Health Service than joining. Those remaining have to cope with menial stress.

So thinly is the workforce spread that even while this report was being filmed, a ward was closed down. The report, produced by Mike Duffield, was not particularly exciting in its construction or execution - but, given the material, it did not need to be.

The problem is even worse in London, where Open Space (BBC2) examined, and not before time, the plight of our capital's homeless. In eight years, government spending on housing has decreased while the number of homeless has risen (by next year, to an estimated 10,000 families). Local authorities pay out £40 million a year to hostellers like the owner of the Mount Pleasant, who earns £55,000 a week for accommodating four people to a room. Often the haggard council workers cannot even offer the Mount Pleasant. Again, this was not a prescient film but a bleak, restrained presentation of what lies on our doorstep - and an unspoken warning that, if we continue blindly to step over it, we all of us will tumble into something far more horrific.

BBC2's 40 Minutes rounded off the evening with a programme on Holloway, Britain's largest women's prison. Produced by Harry Weisbloom, it showed women beyond tears, breaking into hoarse shouts or cutting their arms with light-bulbs. Like the shattered glass, the result was dangerous, fragmented and not illuminating so much as darkling.

Nicholas Shakespeare

Shaw's breadth of human feeling

Misalliance Barbican

THEATRE

Never a great favourite, either when it first appeared in 1910 or during the Shaw revival of the 1960s, Misalliance arrives at the Barbican because somebody believes in it. The person is evidently its director, John Caird; and by the end of Wednesday night's glorious performance, that should go for the audience as well.

The title seems to apply to an Edwardian engagement. Lacking any other suitor, Hypatia Tarleton, sole daughter of a prosperous underwear manufacturer, has settled for marriage with the son of a colonial governor one Bentley Summerhays, a wealthy but obstreperous youth given to howling flat on the floor and howling who anybody throws his slightest whim. As the piece develops, though, and the company talk their way through an endless summer afternoon overlooking the unvisited beaches of the Surrey landscape, the title spreads out to absorb a whole

network of family relationships.

There is Hypatia yawning through her father's literary exhortations, and her self-satisfied brother claiming to be the real brains behind the underwear sales. Lord Summerhays arrives, wearily disclaiming all responsibility for the unspeakable Bentley. Later, an armed intruder arises from a portable Turkish bath and stuns old Tarleton with the celebrated line "I am the only son of Lucinda Titmuss", as a prelude to avenging himself on her seducer; another son trying to strike the father dead.

The real misalliance is between parents and children. The natural term of parental affection, Shaw wrote elsewhere, is six years. And in this piece he takes a multiple view of the permutations of parenthood before dropping the curtain on a blameless high-bourgeois household with the right girl pairing off with the right boy.

That is one way of describing this many-faceted masterpiece. You could also view it as a major-key version of Heartbreak House. Again, there is a country house inhabited by members of the privileged classes, pursuing idle affairs, boring each other to death; and then awakened by invaders from the outer world. In Heartbreak House peace is disturbed by the burglar and the passing Zepplin; in Misalliance, by a stranger who literally drops out of the sky. In terms of social drama that is much the more effective combination.

The assassin is a lowly clerk in an ill-fitting suit, the stranger a Polish acrobat who crash-lands in the garden. Immediately, English class and sexual responses are polarized. The company close ranks against the clerk and treat him to the humiliations due to an underdog. Conversely, the glamorous Polish lady activates their hunting instinct. She is a free creature whom they lust to capture; and man after man lines up to offer her the best cage he can afford, and rejected with genial contempt. She has art, independence and adventure, and has fallen among decadent people who can only think about cups of tea and making love.

As the direct embodiment of the Shawian Life Force, she is an idealized figure daunting to any actress; and Jane Lapotaire, got up in a lumpy flying suit, does not look the part for all her consciously athletic pirouettes. She does excel, though, when engaged on resolute business (disarming the intruder or hauling Bentley off to the gym), and delivers her ringing denunciations with well-studied Polish vowels. Otherwise, the company take superb advantage of a set of characters who display Shaw's power wholly to discredit the character, alter the circumstances and then redeem the victim.

One long-term example of this process is offered by Elizabeth Spriggs as Tarleton's wife, a large lady quailing from "unpleasant subjects" and sitting through her husband's philosophizing with a bland smile. Seeming a complete fool, she finally stuns the assembled company

by unmasking the Titmuss scandal and taking the vilified offspring under her wing as a wise old Yorkshire mother. Anyone who still doubts Shaw's capacity for direct human feeling should listen to how Miss Spriggs puts the offer of a cup of tea.

Her husband, an autodidactic linen draper (deafening echoes of H.G. Wells) is superbly played by Brian Cox, a volcanic mercantile romantic, seemingly passionate only in the pursuit of ideas, but finally reduced to playing the heavy father up to the ugly limit. Sundry stuffed shirts (notably Richard Garnett and Joseph O'Connor) reveal moral underwear of a very different hue; and Mick Ford, as the assassin, writhing under the abuse of his white-flannelled betters, strikes back with a wonderful command of the separate rhetorics of romantic melodrama and half-digested Socialism.

To complete the evening, Roger Butler's marbled conservatory suffers the assault of a full-sized biplane. One could hardly ask for more.

Irving Wardle



Excelling on resolute business: Jane Lapotaire and Brian Cox (photograph by Donald Cooper)

Type-casting displays its dramatic value

Other Halves (15) Cannon Tottenham Court Road

Pirates (PG) Cannons Haymarket, Tottenham Court Road

Basil, the Great Mouse Detective (U) Odeon, Leicester Square

Alpine Fire (18) Everyman

CINEMA

professional: the screen likes naturals. The success of the teaming lies very much in casting to type: Harrow plays a middle-class 32-year-old whose marriage has broken down; Pilisi is a tough young delinquent.

They meet in a mental hospital where he has been put to avoid a prison sentence for mugging, and where she is drifting through the emotional aftermath. The turbulent love-affair which then develops, surviving improbably at the close of the film, looks rather like the wish-dream of a middle-aged, middle-class woman, and seriously strains credibility. There is, indeed, a fairly constant conflict between the script (by Sue McCauley, from her novel), which tends to place the characters in quite unlikely situations and emotional postures, and the performances, which strive bravely to make them credible. Pilisi is often astonishing in his ability to indicate huge gaps in human and social understanding under the knowing, streetwise exterior.

Twelve minutes have been trimmed from Pirates since its premiere at the Cannes Festival; but this has done nothing to caulk Roman Polanski's leaky vessel. Given that he has outlived the



Disney Studios still unbeatable for character and detail: Professor Ratigan up to no good in Basil, the Great Mouse Detective

project since 1976, when Isabelle Adjani and Jack Nicholson were to have played the leads, it is remarkable that Polanski should in the end have embarked with a script so irreparably ragged - he co-wrote it with Gerard Brach. Incident follows incident quite aimlessly, and at one point a major gulf in the narrative is crudely bridged by a title. Such sloppy story-telling is no more justified in a lampoon of the buccaneering adventure, than it is in the real thing.

It is all too apparent that the action film is not Polanski's métier. The numerous fight sequences were supervised by William Hobbs, whose work was seen at its best in Richard Lester's Mucksters films; but here the scenes are so clumsily shot and edited that they make very little comic or dramatic sense. In short, it all seems a rather prodigious use of \$30m, a beautifully crafted galleon, locations in Tunisia, Malta and the Seychelles, and Walter Matthau, wielding his own inventive brand of cockney. The juvenile interest is provided by Chris Campion, a young Frenchman of mild charm, and Charlotte Lewis, who is less expressive than the ship's figurehead.

The Disney Studios still yield to none in quality of character animation and background detail, and the directors of Basil, the Great Mouse Detective - John Musker, Ron Clements, Dave Michener and a veteran Disney animator, Burny Mattinson - have a better structured story than usual. The characters are based on the children's book by Eve Titus. Basil dwells beneath the floorboards of the other great Baker Street sleuth, and admirably emulates Holmes's style in rescuing a toymaker from the clutches of the dread Professor Ratigan (a rodent Moriarty), incidentally foiling a plot to substitute a robot simulacrum for the Queen during her Diamond Jubilee celebrations - the year being 1897.

There is the usual care and colour in voicing the characters, with Vincent Price as a fruity Ratigan, Barrie Ingham as the airy Dr Dawson, Ratigan's sidekick is a horrid but with a peg-leg and a Bronx accent - provided by a studio regular, Candy Candido. An eight-year-old Glaswegian, Susanne Pollatschek, ably gives voice to the self-possessed young heroine. Old-style Disney invention - a fine scene where the innocent-seeming toys turn lethally malevolent - is combined with computer animation techniques, used in a complex scene within the works of Big Ben. Henry Mancini's musical score fails to come up with the catchy songs ordinarily characteristic of Disney features.

Fred Murer's Alpine Fire does not quite solve the problem of treating a subject that demands leisurely, methodical exposition without leaving the spectator feeling that the film itself is uncomfortably long and slow. As the story of the restricted, introverted life of four people living in isolation on an inaccessible Alpine peak, the film may well intend some metaphor about the communal psychology of Murer's native Switzerland.

The family consists of father, mother, son and daughter, who live and work harmoniously together, despite the father's narrow moral principles and his tendency to live up to the family nickname of "The Inscrutibles". The son is deaf-mute, a misfortune which the parents attribute to their late marriage. The daughter has stayed at home to devote herself to her rudimentary education. In time and inevitably the children's mutual devotion leads to incest; and the girl's pregnancy sparks off the violent and bizarre denouement.

The film generates more life and momentum as it builds to the dramatic climax. Until this, there is just dogged excellence in its documentary account of the daily toil and simple pleasures of a life passed to isolation from all the world except for the grandparents who live on the neighbouring peak and maintain contact with semaphore and binoculars. The characters are dubbed in an obscure Alpine dialect, tending to muffle the three vocal members of a fine ensemble, which includes notably Dorothea Moritz as the mother and Thomas Nock as the bright, bewildered, speechless boy.

David Robinson

Philharmonia/Lutoslawski Festival Hall/Radio 3

CONCERT

no better way to demonstrate his qualifications for joining his compatriots Paderewski and Artur Schnabel in this exclusive musical club. Since the Chicago Symphony Orchestra premiered it in 1983 the symphony has gained the status of a modern classic, and it is easy to hear why. For one thing, although Lutoslawski's symphonic processes are as sophisticated as those of any living composer, the outward shape presented at Wednesday night's RPS concert by Sir Michael Tippett - one of seven other living recipients. Then Lutoslawski conducted his own Third Symphony. There really was

foretaste - when the textures of the argument are still in a primordial state - of the urgent passions with which this half-hour span of continuous music will climax. It is very much a process of synthesis: short, disparate gurgles and ripples being collided, superimposed, gradually worked together until in the last few minutes they explode into some memorably extrovert gestures. These include two exuberant passages for brass, who fanfare rhythmic patterns on a single complex chord; and some almost melodramatic string recitatives, changed with unison intensity then splintering into dozens of different parts. Most impressive of all is the end: a threnody of enormous cumulative force building up over a pedal note (an E, of course). Even more accessible than the process, however, are the sheer sounds - each one of them as unique as a fingerprint, but considerably more

beguiling. There are the carefully controlled aleatoric passages (too really aleatoric, though, Lutoslawski knows exactly how they will sound); the scurrying multi-divided high string effects, the little trills for woodwind in which long held notes suddenly curl away into quirky arabesques; and, of course, the masterful contrapuntal writing, so often used to build texture and tension.

The Philharmonia responded well to the composer's direction, some slightly messy chording apart. The only pity was that the Beethoven performances earlier had been less worthy of this auspicious occasion. James Loughran conducted the *Consolation of the House Overture* with not inappropriate pomposity, but in the "Emperor" Piano Concerto Jorge Bolet failed to locate either the subtleties in the music or, indeed, a good number of the notes.

Richard Morrison

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Royal Ballet Covent Garden

There is so much to say about the Royal Ballet's opening programme at Covent Garden on Wednesday that some of it will have to wait until next week. Meanwhile let us welcome Anthony Dowell's decision to start his directorate with an Ashton revival, and one (*Le Vais*) that puts the company's ensemble work on display.

A warm welcome also to David Bintley's latest ballet, *Galateries*, given in Vancouver last July and now having its British premiere. It has Mozart music, quietly elegant grey designs by Jan Blake and pretty dances for a cast of 12, prominent among them being Deldre Eydin and Jonathan Cope, in a meltingly romantic duet, and Lesley Collier, effectively swift and gay.

Politeness to a guest demands that I concentrate first on another premiere and another revival, both by Jerome Robbins. *The Concert*, one of his finest ballets, returns after an absence with a cast led by Jennifer Penney as the Duncansque dizzy blonde and Michael Coleman as the ebulliently lascivious husband (not hers). Although it has a vivid burlesque of those occasions when dancers cannot quite get their act together, the chief moral of *The Concert* is a warning to audiences not to

DANCE

dream up mental pictures as they listen to music.

In his ballet *Opus 19*, to Prokofiev's First Violin Concerto, Robbins seems himself to be implying some inward images. Since the ballet was first danced here, by New York City Ballet in 1979, he has confirmed that by adding a subtitle, *The Dreamer*. All the same, it is probably best to approach the ballet simply as an interpretation of a score that blends sweetly sweet melodies with tough, bursting rhythms. Let the meaning, if any, look after itself and speak through the choreography.

The dances are led with conviction by Cynthia Harvey, the company's new ballerina from the United States, and Jonathan Cope. Their performances, often harshly angular, are very different from the way I remember the roles' creators, Patricia McBride and Mikhail Baryshnikov, not are they much like those of more recent young New York cast. But they are cogent, convincing and must meet the choreographer's wishes or approval.

In the house orchestra's absence, Sadler's Wells Royal Ballet Orchestra played Ravel, Mozart, Prokofiev and Chopin enthusiastically under the new principal conductor, Ishak Jackson, with Elisabeth Perry a persuasive violin soloist.

John Percival

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ASTRALIA  
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SPECTRUM 1

# Who will be lord of the rings?

The fight to host the 1992 Olympic Games enters its last round next week when the meeting to choose the host city begins. David Miller assesses the competition

The 85 or so of the 90 members of the International Olympic Committee (IOC) who are expected to travel to Lausanne next week to decide the host cities for the 1992 Olympic Games, summer and winter, will be unpredictably governed by an intriguing complexity of largely subjective factors.

These include allegiance to politics, language, geography, emotional loyalty, private "exchange-vote" deals, and simple, unashamed touristic attractions. Objective assessment of the sporting suitability of the six summer games and seven winter games candidates may or may not penetrate their reasoning.

Birmingham, appearing undeniably prosaic amid the cultural backcloths laid out by Barcelona, Paris and Amsterdam, is commendably strong on the second assessment but vulnerable on most of the first qualifications. It travels to the ball as Cinderella, but with a legitimate hope that it may emerge as the candidate whose foot fits the glass slipper. That hope hinges upon how many of its known admirers — who recognize the attempt to return, to Denis Howell's words, the

games to the competitors — will have the conviction to vote for a relatively unfashionable yet sportingly suitable city.

The key to the outcome could well be what happens to some of those votes which might have gone to Paris prior to the recent wave of terrorism which has jeopardized international opinion and has set back that city's chances, possibly irrevocably. It is rumoured that Jacques Chirac, the French premier, may now put much of his weight in Lausanne behind the bid by Albertville for the winter games to ensure that France has one of the events. My suspicion is that Amsterdam, Brisbane and Birmingham will all have benefited from the setback.

It is an undoubted fact that the IOC members will be influenced in their tendencies when voting for the summer games by the previously determined winter host city: a decision they will not be supposed to know but, almost certainly will, on the grapevine, after the tellers have passed the slips to Juan Antonio Samaranch, the president.

Voting is by a repeated

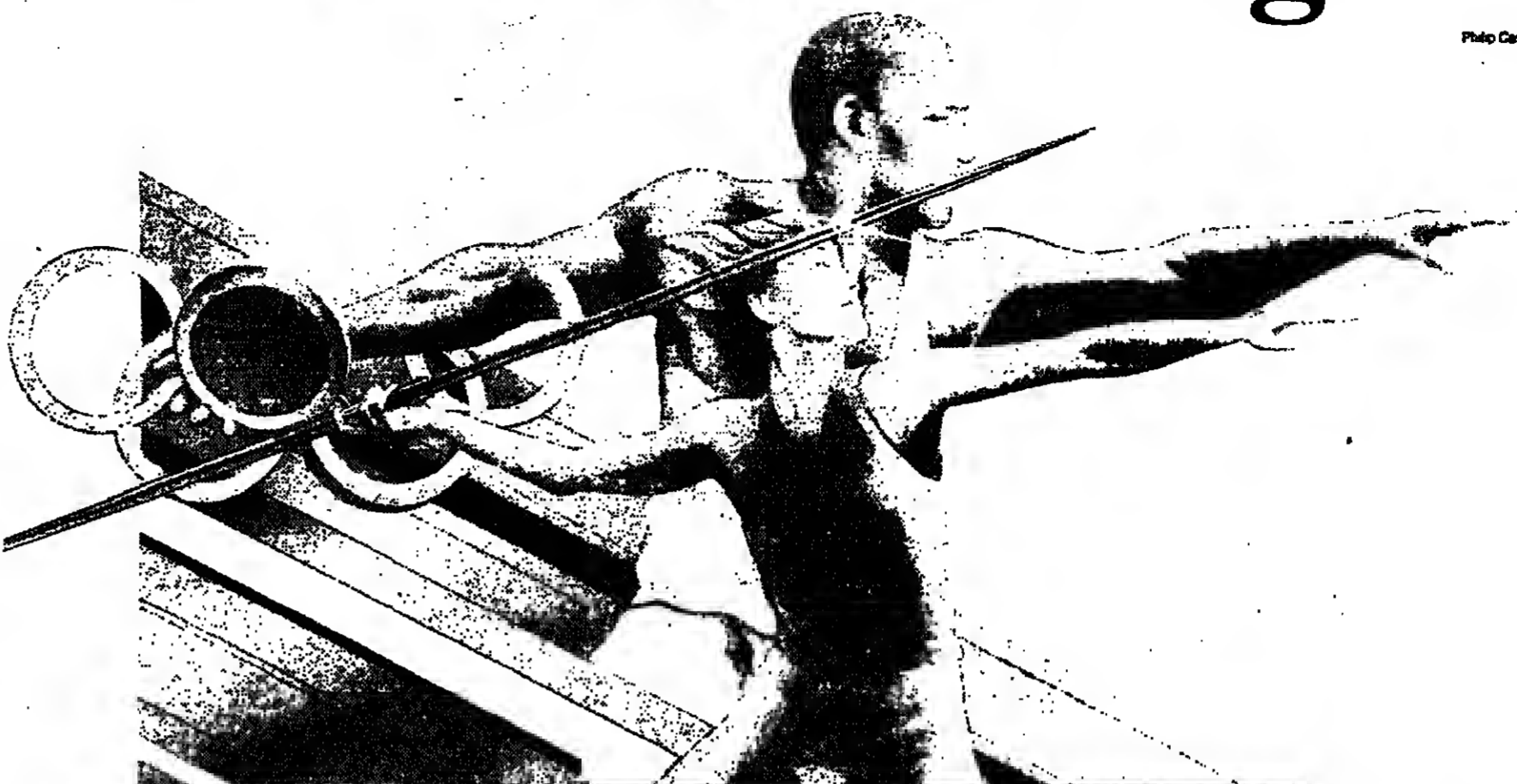


Photo Castle

process of secret ballot, eliminating the bottom candidate each time until one city has a simple overall majority. Were Albertville or Sofia, an Eastern European socialist candidate, to be elected for the winter games, either choice would have a bearing on uncommitted support for Paris and Belgrade in the subsequent summer vote.

With Barcelona, which has thrown £5 million into their publicity promotion, being the undeniable favourite, a speculative first round voting distribution could be: Barcelona 28, Paris 15, Amsterdam 12, Brisbane 10, Birmingham 10, Belgrade 8.


What will happen thereafter is that the voting may split various ways, and if Amsterdam, Brisbane and Birmingham have upheld their credibility by surviving the first round, members who voted for Paris and Belgrade, and even for Barcelona, the first time might now switch to one of the three in the middle ground, since they provide the most compact arrangements of Olympic sites.

By this shifting process, it is possible that Barcelona

could start substantially in front and still not ultimately win, with Amsterdam, Brisbane or Birmingham coming from behind. Some members who support Barcelona — a worthy candidate three times previously unsuccessful — may have been disillusioned by the ungracious behaviour during the recent Asian games in Seoul of Joao Havelange, a Brazilian mem-

ber and the president of FIFA, the international football federation, who has unofficially guaranteed Latin American support for Barcelona. I think Barcelona — Samaranch's home city — will win with no assistance from him. But with such ephemeral moods as there will be next Friday, anything could happen.

## Why we deserve to win — by the six contestants

AUSTRALIA	BRITAIN	SPAIN
<p><b>Kevan Gosper</b></p>  <p>Mr Kevan Gosper, president of the Australian national Olympic committee, says Brisbane should host the 1992 Olympic Games because it offers an exceptional opportunity for the Olympic movement — a trouble-free games. Australia is a peaceful, stable country with a reputation for friendliness and hospitality. He says: "Brisbane is the only city in the southern hemisphere with the capacity to organize such a major international event which has come forward with credible, well thought-out plans. As host city for the highly successful Commonwealth Games in 1982, it already has many of the Olympic-standard sports facilities needed for 1992. It is a modern city which offers convenience and compactness that no other contender can provide. A central Olympic village will accommodate all athletes and officials. To put Brisbane on an equal travel cost footing with the European bid cities, 20 million Australian dollars travel subsidy will be dispersed to all national Olympic committees on an equitable basis which takes into account both their team size and cost of air travel."</p>	<p><b>Mary Glen-Haig</b></p>  <p>Mary Glen-Haig, an IOC member in Britain, says: "The theme of the Birmingham bid is 'Give the games back to the athletes'. It is justified. No other city has the convenience of an airport and a station adjacent to the village, and also many of the competition sites at the National Exhibition Centre. Many athletes will be able to walk to their event through an underpass from the village. This will also give complete security because the public will enter from the other side. Competitors will be able to watch their own and other sports. Only the stadium and swimming pool of the main areas need to be built. Almost everything else is ready now. The village, where athletes will sleep only two to a room, will be of prefabricated units and after the games can be moved elsewhere. As for Britain's reputation of inner city riots and football hooliganism, we know that all the rival cities, except Brisbane, have had troubles. Who knows what will have happened by 1992? Britain has staged successful games in the past — the 1948 Olympics made a profit and they can do so again in 1992."</p>	<p><b>Carlos Ferrer Salat</b></p>  <p>Señor Carlos Ferrer Salat, the Barcelona member of the IOC, says candidly: "I don't know if Barcelona will get them. I know the best candidate will emerge at our deliberations" — and then proceeds to reel off what he calls "only the fundamental reasons" why Barcelona can justifiably expect to host the games. Basically, he told <i>The Times</i>, Barcelona's reasons are twofold. It is trying for the fifth time since 1924 to get the games; Spain is the only large European country not yet to have had any Olympic games, either winter or summer. There is nothing sentimental in that approach, he contends. Secondly, in Barcelona's case 80 per cent of the sports installations are already there. "That percentage is as good as the best among the other candidates," he observes. Security? The athletes can travel swiftly from their Olympic village to the four enclosed sports sites by Barcelona's coastal boulevard which is easy to protect. Finally, not all the city contenders have Barcelona's good climate or tradition as an important arts centre.</p>
<p><b>Maurice Herzog</b></p>  <p>Monsieur Maurice Herzog, French representative on the IOC, says he thinks Paris has a "good chance" of being chosen for the 1992 Olympic Games. On the recent outbreak of terrorist attacks, he says: "We're suffering from imported terrorism, which is temporary, but how can anyone say that we shall still be suffering from it in six years' time?" Mr Herzog feels Paris offers three main advantages: the physical and cultural attractions of one of the most beautiful cities in the world; complete agreement between the political parties and the inhabitants of Paris on wanting to hold the Olympics in the city; and the stability of the French government "rehabilitation" between the right and the left. He dismisses criticisms of the far-flung positions of some of the proposed sites for the games, and fears of enormous traffic jams which would be created in the already over-crowded city, saying that Los Angeles had to cope with far worse difficulties when it was the games. Such problems could be overcome, he insists.</p>	<p><b>Boris Bakrac</b></p>  <p>Mr Boris Bakrac, who has spent 26 years as the Yugoslav representative on the IOC, says: "Belgrade already has 90 per cent of all sports facilities required for the Olympic Games, all situated on a 16 kilometre thoroughway, and all, with the exception of the shooting range, less than 10km from the Olympic stadium. All have passed their tests at scores of world and European championships." The second, doubtless crucial argument in Belgrade's favour, is that Yugoslavia is non-aligned, and that on political grounds there can be no objections, either from East, West, or the Third World. A member of the Belgrade Olympic committee says: "The advantage of the non-aligned policy is that Belgrade can guarantee universal participation, which after several incomplete games, and still looming uncertainties over Seoul, is a point." The third factor, Mr Bakrac says, is that: "The successful organization of the Olympic Games is not only a matter of technology, but also of being a friendly, hospitable host to guests."</p>	<p><b>Cees Kerdel</b></p>  <p>Summed up in a single word, Amsterdam feels it should get the 1992 Olympic Games because the Dutch capital can provide a "cosy" setting that could help foster the Olympic ideal, which at some recent games has been somewhat lacking. The games in Amsterdam would be cosy because coziness is part of the Dutch way of life, but also because about 85 per cent of all events would take place within a radius of 8.5 kilometres, again appropriately enough in Dutch terms within cycling distance. Mr Cees Kerdel, the Dutch member of the IOC, did not overrate Amsterdam's chances of actually getting the games, but did describe the Dutch capital as a "serious candidate." "From every point of view — the organization, the accommodation and the infrastructure — the many IOC colleagues who visited Amsterdam, and most of them have, were very positive." But then Mr Kerdel added the same can be said of Barcelona, Paris and Birmingham. In fact, he had been surprised at Birmingham's marvellous sports facilities.</p>

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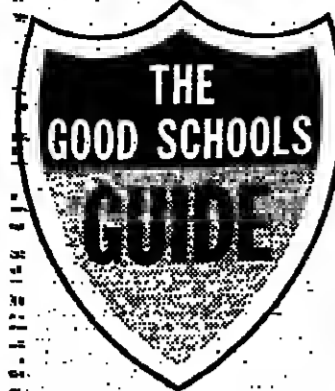
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SPECTRUM 2

Teddy bears, but no picnic



Part 5: Prep schools The independent sector comes into its own in prep schools, with huge choice, a full life and a kiss at bedtime with a whiff of home. The more spartan regimes may be gone, but as Amanda Atha and Sarah Drummond found in their new survey, it is heads down all the way at top schools, with little time for fun

The choice among prep schools is enormous. Arguably, this is where the independent sector excels, particularly on the boarding front (and not forgetting that prep schools are much easier to run than senior schools). All the preps we covered are private, the majority boarding, some with a day element. Your real question at this stage is: do you want to send your child away at eight (if ever)? We spotted a trend to going away later — at nine, 10, even 11.

The spartan, highly-disciplined prep school may be more or less a thing of the past, but no matter how thick the carpets and curtains, no matter how many teddies on beds, there are bound to be tears too. Comfort, however, is at hand. One head's wife told us that on the first night of term she dozed a quick gin and tonic en route to say goodnight to the new boys. Bending to kiss one, she asked if he was happy. "Oh yes," he said. "You smell just like Mummy."

Prep schools fall conveniently into categories. There are the posh (e.g. Ludgrove, Elstree, Sandroyd), deeply traditional, the beginning of the old-boy network, with honours boards that look like Burke's Peerage. There are still a few family-owned preps, like Maidwell and Ashdown, set in rambling country houses that adapt remarkably well, with paneling, library, billiards room, parkland, wellies in the porch and dog-eared carpets. Co-ed boarding preps are a newish breed, and highly successful, for example Windlesham and Fort Regis, with the Dragon a distinguished forerunner. According to the heads of secondary schools, the girls arrive excep-

tionally well grounded, often ahead of their peers — many of whom haven't touched Latin yet. Then there are schools affiliated to the next step up, such as Colet Court for St Paul's and Gilling for Ampleforth. Is this the back-door entrance? It is justifying for a child to remain in more or less the same group and the same place from eight until 18? Next are feed schools famous for sending large batches of pupils to famous public schools (Sunningdale and Summer Fields to Eton), though this is rarer nowadays as the possibilities for the next step fan out. Prep school heads pride themselves on getting pupils into schools first. Often, though, this means persuading parents not to try for the likes of Eton or St Paul's, because the head does not think the child will make it.

Weekend life at boarding preps is very full. It is often better organized and with more going on than at some public schools. Natural history comes alive, with deer parks, late-night badger watching, pet corners, gardens, assault courses, drama, ponies, games, outings — often with committed young staff plus their own families. Pressure can be fierce: team spirit, winning, achieving and success start to become goals at a tender age. One mother reported that the first week her 11-year-old son came home for the holidays he slept each morning until mid-day (having gone to bed at nine); the result, she confided, of the school play, a must exam, keeping up with the work and being in various sports teams. The responsibility on 12/13-year-olds as prefects, monitors, and so on is a point to watch — public schools often find these young leaders arriving as burnt-out stars. Only the top London preps and a handful of others (e.g. Millbourne Lodge, King's College School), are a tough academic hurdle at eight.

**ABERLOUR HOUSE**  
ASBERLOUR, BANFFSHIRE  
Vital statistics  
Pupils: Approx 75 boys, 37 girls. Most board, one or two day. Ages: 8-13. Non-denominational. Fee-paying.

**BUTTERSTONE HOUSE SCHOOL**  
DUNKELD, PERTHSHIRE  
Vital statistics  
Pupils: 55 girls. Most board, one or two day. Ages: 5-13. Church of Scotland. Fee-paying.

Head: Sir Toby Coghill, head for 22 years. Follows Kurt Hahn line of developing all aspects of a child's personality. "No short cuts to a good education," he says. Bottom line: Full fees: £1,480 per term boarding. Reductions for poor "major discipline" important to "have a complete social mix". Exit: 75 per cent go straight on to Gordonstoun. Remarks: Started 1038 in converted stately home as junior school to Gordonstoun. Sall suffers from popular view that it is "all short shorts and hair ties". Pupils head not excel at mainstream sports (cricket, rugby, soccer) but have to do something outdoors or sports every afternoon; it might be fishing, feeding the animals or doing Scottish country dancing (mandatory). New games, hall/theatre and music department, computer everywhere. Children graded into junior helpers and senior helpers to encourage feeling of responsibility. Potential class scholars would be best elsewhere, but excellent remedial, speech and dyslexia therapy, if you believe in genuine adult education and teaching of such things as discipline, farming, climbing trees, riding and other skills which might be of use in later life, then your child would certainly benefit from Aberlour. Good reputation for teaching "unteachable" children.

Head: Mr Christopher Syers-Gibson, new this term. Bottom line: Fees: £1,310 per term boarding, £830 day. Exit: Mostly to St Leonards, Gordonstoun, Oxford Castle, Colton, Wycombe Abbey, North Foreland Lodge, West Heath, etc. Remarks: True family atmosphere with home-grown vegetables and fruit-making. All housed under one roof: small, pretty dormitories. Pupils largely daughters of large landowners and smart Scottish business. Main academic strength is languages; chief sport is tennis. Heated plastic-domed swimming pool; sailing at Glenheg; pupils may bring own ponies. Everything possible done out of doors.

**CHEAM SCHOOL**  
NEWBURY, BERKSHIRE  
Vital statistics  
Pupils: approx 140 boys. All board. Ages: 8-13. C of E. Fee-paying.

Head: Mr C C Evers (since 1985). "Democratic type," said one parent. Means to bring the school into the "80s" said another. Bottom line: Fees: £1,415 per term. Exit: Largest numbers to Eton and Marlborough, followed by St Edward's, Bradfield, Harrow, Winchester, Cheltenham. Remarks: Records show a "flourishing concern" at Cheam as early as 1646. However, school will go down in history as the place where HRH Prince Charles went (and was, moreover, unhappy) in 1968. However, school will go down in history as the place where HRH Prince Charles went (and was, moreover, unhappy) in 1968. However, school will go down in history as the place where HRH Prince Charles went (and was, moreover, unhappy) in 1968.

**BELHAVEN HILL**  
DUNBAR, EAST LOTHIAN  
Vital statistics  
Pupils: 69 boys, 2 girls. 64 board. Ages: 8-13. Non-denominational. Fee-paying.

Head: Mr Donald Vass (since 1974). Charming, relaxed, generally regarded as liberalizing influence. Bottom line: Fees: £1,400 per term boarding, £850 day. Exit: Hill go south — Eton (one this year), Winchester, Rugby, Radley and Harrow. And to Glenmond, some to Fettes, Loretto, Gordonstoun. Remarks: Friendly late 18th century red-brick house with sympathetic Edwardian additions, houses, all dormitories (teddy bears and old tartan rugs) and most of the classrooms. Well-kept grounds with two cricket pitches, nine-hole golf course, unheated swimming pool. Regular piano lessons (pianos everywhere) and Pipe Major Fiddle teachers piping and carpentry. Regular trips to dry ski slope at Hillend, shooting in winter.

**COTHILL HOUSE**  
ABINGDON, OXON  
Vital statistics  
Pupils: 140 boys. 30 day. Ages: 8-14. C of E. Fee-paying.

Head: Mr Adrian Richardson (since 1975). Committed, caring — and



Charles and Elizabeth Malden, heads of Windlesham School: a good educational grounding in a warm and free atmosphere

very popular. "He produces alert, eager boys," comment parents. Bottom line: Fees: £1,485 per term boarding. Exit: Mainly to Radley, Eton, Marlborough and Harrow. Remarks: In the 1980s one of the country's top 10 preps, sending most boys on to Eton. Then standards dropped. Now, however, Cothill is back — and on the crest of a wave: extremely happy, well-taught boys in small classes, extra tuition where needed, new science lab, most masters aged about 30. Lots of activities — billiards, printing, carpentry, etc.

**GODSTOWE**  
HIGH WYCOMBE, BUCKINGHAMSHIRE  
Vital statistics  
Pupils: 272 girls. 142 board, 130 day. Pre-pre: 49 girls, 37 boys. Ages: 4-13. C of E but all faiths welcome. Fee-paying.

Head: Miss P Fitzmaurice-Kelly (since 1970). Formidable, keen on good fresh food for pupils and instilling good habits (e.g. washing under every night) early on. Bottom line: Fees: £1,116 per term boarding, £731 day. Remarks: Traditional boys' prep run along the lines of a public school. Founder (1888) insisted on "the humbug", so no motto, no crest, no speech day, no rolls of honour, no prefects. Fewer lessons than some preps, "because they're properly taught". Staff live on the premises and are mostly unmarried, straight from university — tend to stay put until grabbed to become head of another prep school. Classes are often seven or eight, never more than 15. Good music and for older boys a delightful habit of half an hour's music-listening (classical) before going to sleep. Art work (with plans to improve it). New sports hall/theatre; lots of computers. Friends on the games field, with the reputation of hardly ever losing.

**HORRIS HILL**  
NEWBURY, BERKSHIRE  
Vital statistics  
Pupils: 158 boys. All board. Ages: 8-13. C of E. Fee-paying.

Head: Mr M J Innes (since 1978). Fairly buttoned-up but full of charm once you get through, and highly efficient. A traditionalist. Bottom line: Fees: £1,470 per term boarding. Exit: One-third to Winchester (sends more boys to Winchester than any other prep), one-third to Eton, the rest board.

**KING'S COLLEGE SCHOOL**  
CAMBRIDGE  
Vital statistics  
Pupils: Approx 158 boys, 55 girls. 117 day (including all girls), 76 board (including 24 choristers and probationers). Ages: 7-13. C of E but all acceptable. Fee-paying.

Head: Mr Gerald Peacocke (since 1977). Approachable, modest and kind man, who appears to put the boys first and everything else miles down the list. Exit: Feeds a couple of dozen well-known chorists, including Lippinham and The Lays. Bottom line: £1,195 per term boarding, £775 day. Remarks: Owing to ties with King's College, Cambridge, for which it provides the boy chorists, school is exceptionally strong in music. It would be a pity to send an unmusical child here. Dyke's unit for 12-15 boys. Rugby (strong), hockey (including mixed boys' and girls' teams), tennis, etc. Only sign of choristers their garments hanging in open wardrobes in largish dormitories, unless you walk across to the Chapel and see them in action. Slightly casual atmosphere has been known to deter parents in search of highly disciplined and formal behaviour.

**HANFORD SCHOOL**  
CHILD OXFORD, DORSET  
Vital statistics  
Pupils: 150 girls. All board. Ages: 7-13. C of E. Fee-paying.

Joint heads: Mr E and Mrs Sharp, and Miss Sarah Canning (since 1950). Bottom line: Fees: £1,275 per term boarding. Exit: Over half the girls go to Sherborne; others to St Mary's, Wantage and Cadzow, Downe House, Tudor Hall, Wycombe Abbey, Cheltenham Ladies. Remarks: Must be the country's happiest prep, and has an extremely long waiting list. Glorious manor house of 1642 in rolling Dorset country, with stunning stable and Thelwell ponies. Inexpensive pleasure and shabby in places — equally full of love and

**KENSINGTON PREP SCHOOL FOR GIRLS**  
LONDON W8  
Vital statistics  
Pupils: Approx 200 girls. All day. Ages: 5-12. Non-denominational. Fee-paying.

Head: Miss J. Nelson. Firm but fair. Exit: Godolphin and Lyster, Mora House, Putney High and other London day schools. Regularly

**PORT REGIS**  
MOTCOMBE PARK, DORSET  
Vital statistics  
Pupils: 160 boys, 80 girls. 200 board, 40 day. Ages: 7-13. C of E. Fee-paying.

Head: Mr David Richard (since 1985). Outspoken, avuncular, workaholic. Exit: Bryanston, Sharnbourn, Cantor, Marlborough, etc. Bottom line: £1,757 per term boarding. Remarks: Possibly the most go-ahead prep in the country, geared towards education for the 21st century. Stunning facilities, more of the way: county standard sports hall, excellent design centre, etc. Staff exceptionally dedicated and progressive. Ines: house system minimal, prizes liberally heaped on children. Breeds self-confidence, 50 different hobbies, 15 different sports. Education consciously aimed at head, hand and heart. Princess Anne's choice.

**THE PILGRIM'S SCHOOL**  
WINGCHESTER, HAMPSHIRE  
Vital statistics  
Pupils: 170 boys. Approx 85 board, 85 day. 36 chorist scholars (all boys). Ages: 8-13+. C of E. Fee-paying.

Head: Mr Michael Kefford (since 1983). Slightly reserved manner conceals a kind and caring man. Exit: A hard to Winchester. Pilgrim's is not an official feed school but has close links. A third to Marlborough, Charterhouse, Eton and Radley. Bottom line: £1,280 per term boarding, £820 day. Remarks: "Hard-working" boys — yet not over-pressured. Gentle streaming of classes from beginning. Classes of 10-12. Just about the equalised music teaching — freelance professional players come down every week to teach. Situated in beautiful cathedral close, 17th-century building. Own good playing fields but immediate grounds somewhat cramped. Pastoral care exceptionally good. High standard of sport, especially cricket.

**RIDDLESWORTH HALL**  
DISS, NORFOLK  
Vital statistics  
Pupils: 147 girls. 10 day. Rest board. Size of class: 10-19. Ages: 7-13. C of E. Fee-paying.

Head: Mrs Patricia Wood, appointed nine years ago. Warm, approachable, keen that pupils should have fun. Exit: Has links with Fettes (of which it used to be the prep school) to which lots of girls go out. Also to Cantor, Westminister, West Heath, etc. Bottom line: £1,455 per term boarding, £850 day. Remarks: Not your academic powerhouse. Charming country school — listed (and lovely) home — in gorgeous grounds with lovely old trees (good for climbing). Mrs Wood states general approach is "old-fashioned". "We have spelling tables, detention, streaming, marks, early bed — the lot." Pupils tend to be well-handled and local farmers the Princess of Wales was here, reflected in extras like fly-fishing, clay pigeon shooting and riding.

**SUMMER FIELDS**  
OXFORD  
Vital statistics  
Pupils: 232 boys, 218 board, 14 day. Ages: 8-13. C of E foundation with strong RG contingent. Fee-paying.

Head: Mr Nigel Talbot-Rice ("Small but Nice" or "Talby"). Lively, accessible and tireless. Exit: Good feed for Eton (50 per cent). School feeds four-five scholars to major schools every year, including Eton, Radley, Winchester. Bottom line: £1,475 per term boarding.

Remarks: "We are teaching some of the most privileged boys in the country," a master said. Excellent institution which will get your boy of average intellect but good connections into Eton by dint of outstanding teaching and sheer hard work. 70 lovely Oxford acres for golf, croquet, etc., as well as main games, football and cricket, but not a "games school". Smart indoor swimming-pool recently. Old-fashioned discipline — boys made to stand in corners, etc.

**SUNNINGDALE**  
SUNNINGDALE, BERKSHIRE  
Vital statistics  
Pupils: 120 boys. All board. Ages: 8-13. C of E. Fee-paying.

Head: The famous Dawson twins (and since 1987) and Tim (deputy). Exit: 70 per cent to Eton; 15-20 per cent Harrow; the rest to Bradfield, Wellington, Old Edwardian. Bottom line: £1,150 per term. Remarks: Unique. A family business, and the lively Dawsons are totally committed. No secretary (head writes all letters by hand), no bursar, no groundman (grounds kept in immaculate condition by the Dawsons). Old Edwardian. House plus newish additional classrooms put up on shoe-string budget. One of two... three address bedrooms/dorms, but pupils likely to come from shabby chic homes. Family atmosphere, no locked doors, handwritten notices, with strong sensible nature system. All boys eat on beds reading, or working after lunch; misdeemeanor can mean being sent to room and missing meals. Boys have healthy respect for rules. Dawson's sports (taken very seriously).

**WESTMINSTER UNDER SCHOOL**  
LONDON SW1  
Vital statistics  
Pupils: 280 boys. All day. Ages: 8-13. C of E. Fee-paying.

Head: The Master is Mr Dickie Dawe (since 1977). Gentle, approachable. "My first job is to get boys happy and relaxed," says Mr Dawe. Exit: Between 80 and 85 per cent to Westminster School (notably Eton, Wellington, Marlborough). Remarks: Newly-housed (1981) in erstwhile St Thomas's Lyng-in-hospital — splendidly light, bright premises, overlooking Victoria Embankment. One of a number of all central London preps, used daily at break times. Staff lists show back block means the gates never close, and the boys a series of belonging, say parents. Strong extra-curricular activities: sports, pottery, lots of clubs, carpentry, holiday trips. Very high academic standards.

**WINDLESHAM HOUSE**  
WASHINGTON, PULBOROUGH, WEST SUSSEX  
Vital statistics  
Pupils: Approx 200 boys, 120 girls. All board. Ages: 7-13. C of E. Fee-paying.

Head: Mr and Mrs C Malden, long classically. "Charming" but easily accessible to pupils (rare). Exit: Tends to be co-ed schools: Godolphin, Bryanston etc, also over and place from Ampleforth to Wycombe Abbey. Bottom line: £1,310 per term. Remarks: Originally founded in 1837 by present head's grandfather and has been in the family ever since. Grounds beautiful. Lots of places to play and study. School buildings have been reconstructed out behind the main house, including a whole girls' wing. Liberal usage — no-one has ever been sent their room to teach "hard". Up to 40 children still learn Greek — one of last splendid strongholds of this. (Adapted from The Good Schools Guide, a Harpers and Row Publication, to be published by Ebury Press on November 3 (price £8.95).)

THE TIMES SATURDAY — Portfolio Gold — £12,000 to be won



Far from the Miami crowd: peace breaks out on the west coast

**The other Florida**  
There is more to Florida than the Disney-whirl and Miami's vices. Over on the west coast, the pelicans paddle on miles of unspoilt beaches, behind which lurk the discreetly grand homes of millionaires. But you don't have to be filthy rich to sample clean-air living

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**DULWICH COLLEGE PREP**  
DULWICH, LONDON SE21  
Vital statistics  
Pupils: 720 boys, 21 day girls (ages 3-4 only), 50 board, 570 day. Ages: Boys 3-13. C of E. Fee-paying.

Head: Mr H.E.P. Woodcock (since 1982). Outstanding administrator, commanding personality. Believes "we are teaching habits for life". Exit: Around half to Dulwich College, fair numbers to Westminster. Bottom line: Fees £1,080 per term weekly boarding, £750-825 day. Remarks: Parents (with homework nightly, state duration of work) an invaluable means of communication, noted one parent. Missives from school to parents come thick and fast: "Take Tom to the airport/railway station/gallery... another project under way, inspired" head of English, drama much praised, music excellent, lively art. Bracing, intellectually stimulating junior powerhouse, in spite of size, the scale is domestic, the atmosphere very friendly. Danger is that average-ability boys get swamped — no fun at 10 to be relegated to the D stream — and non-conformist parents, too, occasionally feel the cold wind of disapproval.



Dickie Dawe: "gentle" master of Westminster Under School

**MILBOURNE LODGE SCHOOL**  
ESHER, SURREY  
Vital statistics  
Pupils: 180 boys, 18 girls. All day. Ages: 7-13. Also: 133 boys, 17 girls. All day. Ages 4-8. C of E. Fee-paying.

Head: Mr Norman Hale (and proprietor, since 1949). Eminent, brilliant, with a youthful manner. Knows the pupils far better than most heads. Exit: Highest percentage of scholarships gained of any prep to Eton, Winchester, St Paul's, Charterhouse, Bradfield, etc. Bottom line: £730 per term. Remarks: Teaching is superb — most teachers have been here for years, but there is a sprinkling of new young blood. Brilliant English teaching. Latin the subject in which scholars shine most regularly, though maths results are often outstanding. Not a sweat shop. Pupils are asked to work a great deal on their own. 20 per cent come in aged seven, and a few brilliant freaks at six (who must mark time at the top of the school). Latin and French the popular — rare in prep schools) from the start. Greek for the A stream in last three years.

Christ's Hospital  
The pupils at Christ's Hospital School are all boarders: not day pupils as stated yesterday. The headmaster is Mr John T. Hansford.

CONCISE CROSSWORD NO 1076

ACROSS  
1 Furnace worker (6)  
2 Film machine (6)  
3 Royal title (1,1,1)  
4 Attractive cave (6)  
5 Engrave (6)  
6 Notice (4)  
7 Orphanage founder (8)  
8 Crowds (6)  
9 Short sleeve (6)  
10 Wedge tenon (8)  
11 Play boisterously (9)  
12 C of E day devotion (6)  
13 Vigour (6)  
14 Coast inlet (3)  
15 Method (6)  
16 Set off (6)  
DOWN  
1 Austrian cake (5)  
2 Long-horned grass (7)  
3 Oblique-angled parallelogram (7)  
4 Cricket noise (5)  
5 Strong coffee (5)  
6 Remnants (7)  
7 And not (3)  
8 15 Relief study (7)  
9 Have meal (3)  
10 Curative plant (7)  
11 Fragment (7)  
12 Upright (5)  
13 Prighten (5)  
14 Sorcery (3)

SOLUTION TO NO 1075  
ACROSS: 8 Drum majorette, 9 Urn, 10 Loghouse, 11 Topic, 13 Article, 16 Drastic, 19 Equal, 23 Cock-robin, 24 Set, 25 Mary Magdalene.  
DOWN: 1 Adjust, 2 Burn up, 3 Implicit, 4 Djerba, 5 Iron, 6 Recede, 12 O'er, 14 Thespian, 15 Lea, 16 Decamp, 17 Accord, 18 Chough, 20 Unseen, 21 Litter, 23 Alps

Faith  
outs  
marr  
Children



# Faithful outside marriage

Do the best friends come from the opposite sex or your own? Glenys Roberts has never had any serious doubts, as she explains in the last of our series



My mother used to say to me: "I always longed for a daughter so we could be friends. I imagined going shopping together, taking tea. Alas for her ambition, I turned out to be a girl with no interest in shopping and even less in tea. I invite me to a ladies' lunch and I make my excuses with the diet salad. I hated dolls, was indifferent to cooking, and though I did spend a good deal of time in front of the bathroom mirror, it was no more than my brother's spent. My obsessions, in fact, were far more likely to be shared by the opposite sex than my own."

When I fell in love with men, I identified with them. They often complained about this, saying I showed no interest in sewing on their buttons or blacking their riding boots. I envied their initiative and could see no virtue in waiting at home for a phone call discussing with the other girls how to entrap men with a beehive hairdo and a chocolate box smile. Those were the best old pre-feminist days, of course, but even now, in my experience, a passive femininity sets in all too easily once the hormones are aroused. For the most part, therefore, my relationships with men have been platonic. I almost prefer it that way, for I find their friendship stimulating. In my teens, it was not very difficult to come to the conclusion that boys were the missing link in the desire and pursuit of the whole. To lunch or dine with even the least virile holds a frisson which never quite seems to stir between friends of the same sex. Sooner or later, of course, the

image must flash across the mind of a more than platonic relationship. Sometimes that is what it becomes. There is a compensation, however. Some of the best friends are old lovers, for you can never surprise them with any intimate habit which might destroy a more tender friendship. Men never quite want to let their women go, and they can even be extremely generous with their time once it is understood you have no claims on the heart. They do not seem to waste time on bitching or gossiping, though it has to be said, male writers are just as good at this stock in trade as female ones. There are male writers who will call me at midnight and chat into the small hours about absolutely nothing at all except the latest joke or improbable plot based on a slice of life. Men usually have better jokes.

If my telephone friends, I think, are married, but then married men are allowed more freedom by their wives than the other way around, which happily leaves twice as many men as women available for social intercourse. I have not put this theory to the test too often in the flesh. Once in Toronto it nearly failed. I arrived in shirtsleeves from California on a beautiful spring day to spend one evening with an old married friend. Six days later I was still there, locked in by an unseasonal snowstorm and wearing his pullovers for warmth. While he insisted I play Scott Joplin with him on the piano, his wife insisted she prepare three meals a day from the contents of the freezer. She did this with an air of



Jeffrey Bernard and agony aunt Irma Kurtz: "The friendship of women is better for the soul than that of men"

Jeffrey Bernard - bon vivant, man-about-town and award winning *Spectator* and *Sporting Life* columnist - claims to have countless women friends, including three of his four ex-wives (the other is sadly no longer alive). But fittingly, the woman on whom he can always rely for chicken soup and sympathy is *Cosmopolitan's* agony aunt Irma Kurtz, his friend, ally and drinking companion for 25 years. "We stumbled over each other in Soho when she was fresh from Paris," he explained. "Since then,

she has allowed me to go on playing little-boy-long after I was entitled - and I wouldn't hesitate to make a mayday call to her at 3am if I was in trouble. It's happened more than once. "The friendship of women," he insists, "is better for the soul than that of men; men would far rather lead you £100 than a shoulder in lean on. Being a diabetic, I frequently have to go into hospital when I have problems. She always comes round, to hold my hand for hours, make me laugh... When

I'm well, we'll often spend evenings eating and drinking - I'm proud to say I regard her as one of the boys. She has forgiven me for some appalling behaviour. Ironically, he often finds himself in the position of trying to counsel and advise this professional problem solver: "She's usually in as much of a mess as I am; I tell her she needs an agony uncle of her own, but she simply laughs."

Josephine Fairley

would have them where I can find them, but I seldom use them. I understand that. The idea that a friend has *carre blanche* to borrow the proverbial cup of sugar whenever he wants is as unappealing as the idea he never bothers to ask. A perfect, unobtrusive friendship is easier to keep with a person of the opposite sex. Recently I wrote a five-line letter after 10 years to someone very dear to me, who lives with wife and children 6,000 miles away. The message he then knew to leave on the telephone answering machine did more to persuade me all was well with the world than any amount of handholding from many a nearer friend. Some people might spot there is a deficiency in those who are happier coexisting in the opposite sex, as if they had something to hide from the similar instincts of their own. They might be right. But fate has left me with little

## MEDICAL BRIEFING

### Chinese cleared

Recent research has found that sweet and sour pork, sizzling beef or chicken in oyster sauce, even when laced with monosodium glutamate, will not result in burning sensations in the face, chest tightness, palpitations or tingling in the upper limbs. Eating Chinese food is less likely to cause post-prandial discomfort than other meals; and those who later claim to be allergic are 10 times more likely to suffer symptoms if they have heard of the Chinese Restaurant Syndrome. The myth of the syndrome has been debunked by Dr R.A. Kenny of The George Washington University, Washington. Reviewed in *False* magazine, his research - which included a small double blind trial - has taken several years, and has shown that monosodium glutamate is, despite its reputation, an innocuous substance. In large doses it does cause a slight lowering of the blood pressure following reduction in blood glucose, but has no other effects on the body's biochemistry. Furthermore, Dr Kenny found no demonstrable biochemical differences after dinner between the allegedly allergic and those who were not. The myth itself was started by a letter written to the *New England Journal of Medicine* by Dr Robert Ho Man Kwok in 1968. Dr Kwok wrote that dinner in a Chinese restaurant left him with feelings of muscle weakness, numbness in his hands and palpitations - an observation that caused other people to notice similar symptoms after eating any dish with added monosodium glutamate. Since then some restaurant owners have found it easier to blame the syndrome than to admit to poor hygiene in their kitchens. But doctors have always doubted the likelihood of the diagnosis, particularly as research workers could not induce the symptoms in animals.

### Biscuits for bigger babies

Generations of doctors have observed that their well-fed, non-working, lecherous pregnant patients give birth to larger babies than do those mothers who have had to work excessively hard on meagre rations. Physiologists have shown that if a pregnant woman's diet falls below 1,800 kilocalories a day the baby suffers. A recent report in *Hospital Doctor* highlighted the work of the Dunn Nutrition Unit of the Medical Research Council in Cambridge, which set up a centre in The Gambia 12 years ago to study the relationship between birth weight and nutrition. Dr Whitehead, director of the unit, says that babies weighing between 4.5 and 5.5 lbs have a six times greater chance of dying in the perinatal period than those of average weight, 6.5 to 7.0 lbs. Even those who survive run a three times greater risk of dying during infancy. Dr Whitehead has shown that in the rainy season preceding the harvest, when food is scarce and the work in the fields arduous, there is a particularly high incidence of low birth-weight babies. Now, however, the MPC has developed a biscuit containing essential nutrients and high calorie foods. Given twice a day to pregnant women, the biscuit - made of peanuts, flour, dried milk and sugar - has reduced the percentage of small babies from 28 to 5. This simple supplement, together with a supply of clean water, has reduced the mortality rate, among children less than five years old from 50 to 2 per cent.

### Inflamed dangers

A keen-eyed diognostician would have noticed that one of the financiers attending the recent meeting of the World Bank limped on to the plane at Heathrow. He was a victim of two problems: gout and his doctors' extreme anxieties about the use of non-steroidal anti-inflammatory drugs (NSAID). This was the banker's first attack of crippling gout, but his medical advisers were so aware of possible side-effects that he was only given a sixth of the dose recommended for this condition in the British National Formulary. In London he had undergone two days of full treatment, but when he tried to renew his prescription in Washington alarm broke out again: he triumphed over the American fear of litigation and survived unscathed. Dr Calvin believes that some of the anti-rheumatic drugs' bad reputation arises from the failure of doctors to explain to patients the small risk involved and to teach them to balance this against the benefits the treatment might bring. Only the elderly tolerate NSAID badly and are more likely to suffer serious side-effects, as well as the more common gastro-intestinal inflammation. Dr Thomas Stuttford

## Children kept under wraps

Short-term crises can result in children being placed in care and a hard battle for parental access.

Owain Bidgood was taken into care six years ago while his mother Janet, was undergoing treatment for depression following the death of her husband in a car crash. No one suggested she had mistreated him, but social workers feared she couldn't cope with a lively three-year-old.

Almost every day for seven weeks she made the 50-mile round trip to the children's home where Owain was staying. But when the little boy was placed with foster parents, her visiting rights were abruptly terminated and she was not even allowed to know her son's address.

Initially, the social workers said the visits were stopped to allow Owain to settle in his own home. Later, they explained, they were afraid to start contact again in case it unsettled him. For the first four years her son was in care, her only glimpse of him was across a council car park. The plight of parents like Janet Bidgood was the spur behind the Family Rights Group's campaign to help families maintain contact with their children in care. In 1984 thanks largely to that campaign, the parents of children in care were given the right to go to court to challenge local



authority decisions to stop access visits and the Department of Health and Social Security issued a code of practice for social workers which stresses the importance for children of sustaining links with their natural family. A short-term crisis - marriage breakdown, illness or homelessness - will precipitate a child going into care. The majority of children go back to their parents, most of them after a short time. But new findings from a DHSS sponsored research project indicate that continuing access by parents is a crucial factor in determining whether a child returns home. With children, the bonds with the natural parents can quickly wither, pre-empting a long term decision about the child's future. "We were staggered, when studying our statistics, to realize how very quickly children can drift away from the natural family," says Bernard Kearns, a city councillor in Bradford. "It can be measured in weeks and even days." Many of the decisions to sever family ties have been based on the belief that children cannot be expected to sustain two sets of family relationships. But the evidence shatters this myth, argues the Family Rights Group in its book *Promoting Links*, published this month.

Studies in Britain and America reveal that children in care do better if they keep in touch with their original families. The code of practice on access reflects these findings, but the new law has its shortcomings. Only decisions to stop access or not to start it in the first place can be challenged in the courts. So for a parent whose visits are limited to once or twice a year, the only possible redress is through the local council's own appeals procedure. "But many local authorities have still not set up the appeals machinery, though this was issued nearly three years ago," says the group's social worker, Colin Arterton. Particularly sad, she feels, are the cases in which grandparents are cut off from children who go into care. In one study of long term foster care, the researchers concluded: "Friction between foster parents and grandparents seemed minimal and children gained a lot." Yet grandparents - like the fathers of illegitimate children, who don't count as parents under the law - have no legal remedies if access is refused. Janet Bidgood's son is happily settled with his foster family and his mother now sees him regularly.

Clare Dyer

Promoting Links: Keeping Children and Families in Touch. Family Rights Group, 6-9 Manor Gardens, Holloway Road, London N7, £4.00.

## MILAN REPORT



Armani: rippling blouse (left), flower print (right)

Giorgio Armani produced a moment of fashion magic in Milan. His collection was pretty, provocative and feminine - not words usually associated with the maestro of mannish tailoring. Armani has gone meltingly soft, making his collarless jackets and plain pants in silthers of silk and his chaste long skirts in wisps of chiffon. This was a souille of femininity in contrast to the heavy-handed sex-with-frills recipe elsewhere in Milan. A light-as-a-breeze gauze curtain at the end of the runway expressed the mood of the rippling fabrics in palest beige, grey, powder-blue or delicate flower prints. Armani's newest line is the soft diurnal skirt worn over a scalloped petticoat under a jacket carved like a bolero or scooped to a low neck. Pyjama pants and short wrap skirts were equally gentle. The surprise at night was transparent chiffon lapping the breasts so tenderly that the effect was as dainty as a second empire gown rather than the sexy see-throughs of the 1960s.

Suzy Menkes

After a long meeting it's good to see you relaxing.



MONDAY The growing fame of Sue Townsend: a new chapter for Adrian Mole's creator

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THE TIMES DIARY

The last bastion falls

Eight hundred years of Oxbridge history came to an end yesterday when the governing body of Magdalene College, Cambridge, passed a motion to admit women.

Vested interest

I learn of skeletons in the cupboard of Barry Field, prospective parliamentary candidate for the Isle of Wight, who won a standing ovation at Bournemouth earlier this week for his speech calling for the return of capital punishment.

Tories who detected an improvement on last year in Nigel Lawson's speech yesterday are putting it down to the help sought and gained from Anthony Jay - co-author of Yes Prime Minister.

Over the top

Ken Parrish, press officer for the Tory Euro-MPs, has had his expenses blown up out of all proportion. He left his briefcase behind in the conference centre on Wednesday, whereupon police, fearing that it might be a bomb, exploded it.

A holiday-maker on her way to the conference centre - normally used as a theatre - asked a policeman what was on this week. "The Conservative Party Conference," he replied. "Oh dear," she said. "Nothing lighter?"

Novel approach

A case of mistaken identity involving the two most literary members of the Tory party, Douglas Hurd, part-time thriller writer, was delighted to be approached by a policewoman bearing a file of books for signature.

Hats off

The Tories remain firmly out of step with public taste when it comes to hats. When feminine headwear was not generally in vogue, Tory ladies resolutely sported military confections above their perms.

Junior health minister Kenneth Clarke seems to be taking his cost-cutting exercises personally. He was spotted travelling to Bournemouth in a second-class railway carriage - a most unusual departure for a Tory politician.

Palace pull

The Chinese seem to be getting into a tizz about transport arrangements for the Queen's visit next week. Road builders have been working night and day to complete a new four-lane highway from Shanghai airport to the city centre and I learn that HM will travel through Canton in a "stretched Rolls-Royce".

Both sides have been upset by the unexpected this past week. The Russians lost a submarine; the US suffered the shooting down of an American-crewed plane over Nicaragua and the public parading of a captive.

Palace pull: The Chinese seem to be getting into a tizz about transport arrangements for the Queen's visit next week.

Helping Thatcher's losers

by Michael Fallon

Many have benefited from seven years of Conservative government. Those in work earn more each year; those with mortgages have made steady capital gains; high earners pay less tax; people with businesses benefit from the profits; one million have bought their council houses; three million more own shares than in 1979 and one and a half million own shares in the companies for which they work.

But what about the others? There are four groups who have lost out. First, three million remain out of work, yet those in work, whether in government, industry or trade unions, connive at practices that keep them out: regulated wages, restrictive working practices, expensive overtime in the public sector. Freer labour and housing markets depend on overturning vested interests to allow others the same chance as the fortunate 87 per cent.

Second, there are, even by official reckoning, some four million low-paid workers, earning less than 140 per cent of supplementary benefit. They may pay 29 per cent tax instead of 33 per cent but they start paying it on an income of only £2,300 a year. In the United States 29 per cent tax is not paid until one earns £17,000 a year.

In Britain a high starting-rate applies at an income level 20 per cent below the official poverty line, hitting four out of five families on family income supplement. Of the four million low-paid, two and a half million, one in eight taxpayers, receive some form of income-related benefit. For these groups every pound taken in tax is a pound forgone on basic food, fuel and clothing. Tax cuts and lower thresholds are their right.

Third, the one and a half million unemployed who live outside the prosperous South-east, in the assisted areas of North-east, North-west, Wales and Scotland. Few of them can move or want to move. Regional aid and rate support grant, though partly alleviating their plight, perpetuate dependence on London.

National wage bargaining and centralized energy pricing deny the north the full benefit of its natural advantages in surplus resources, cheap housing and underdeveloped land. We owe it to those one and a half million to help them build regions of opportunity on home-grown, low-cost enterprise.

Fourth, around 1.1 million people

will still work in the nationalized industries, even after extensive privatization. Their pay is restricted by Whitehall, their future dependent as much on politicians as on their own efforts. Thousands work for low wages in over-stuffed, badly run industries like British Rail or the Post Office.

External financing limits and better management are in the end no substitute for giving each employee a real share in his business. Why should such a privilege be confined to Jaguar or the National Freight Consortium? Do those who work for British Coal deserve less than those who work for British Gas?

These four groups are denied the advantages of choice and the dignity of taking decisions for themselves and their families.

To draw back from radical reform, therefore, would be more than loss of political nerve. It would fail those without jobs, with low incomes, without assets. These are the underprivileged whom the next seven years of Conservative government must liberate. In no sense can Thatcherism be partial.

The author is Conservative MP for Darlington.

On the day the Tory conference debates the national economy, Stephen Aris highlights the problems facing its own financiers as an election approaches

When the Institute of Directors recently asked its members to pass judgement on the programmes of the political parties, the results were unsurprising. The only aspect of Conservative policy about which any doubt was expressed was the firmness of the government's commitment to reduce public spending. Plainly the IOD is "plus ça change, plus le voit".

The IOD, which has a membership of 28,000, sees itself as being in the vanguard of free enterprise. Unlike the Confederation of British Industry it is a natural ally of the present government, with which it has strong links, and, via the Number 10 policy unit, has privileged access to Mrs Thatcher. Through this network it claims to have had a significant impact on government policy, especially union reform and privatization.

But there is a paradox here. However strongly the IOD might will the ends, when it comes to providing the means the members are less than forthcoming. If they were prepared to back their words with money, the Conservative party managers at Bournemouth would have no need to worry. But that is not the case. And what goes for the loyalists of the IOD is even more true of the less committed members of the CBI.

"Great sections of the membership, especially in the West Midlands and Scotland," says a CBI spokesman, "are utterly confused and demoralized by the impact of government policies. For the rest, the destruction of the manufacturing base has meant that the source of funds is drying up."

A further blow to Tory finances in the run-up to the general election was the row between the then party chairman, John Gummer, and the treasurer, Lord McAlpine, who withdrew in a huff to Australia. It is only in the past six months or so, with Lord McAlpine's return, that the Central Office machine has again begun to function effectively.

Of all the political parties, the Tories are the most secretive about their financial backing. But such figures as there are show that far from enjoying a steady stream of money from business, they live from hand to mouth. While the trade union levy supplies a solvent Labour Party with a regular, guaranteed income of £3.5 million a year, the Tories have been almost permanently in the red, leading to allegations by constituency parties of Central Office profligacy and incompetence.

Since 1979 Central Office funds (as distinct from local constituency funds) have been in deficit for four years out of six, and in the two remaining years, 1982-83 and 1983-84, just broke even.

Party spokesmen maintain the polite fiction that it is the dedicated work of the constituency workers that keeps the machine going. The truth is that were it not for big business, financially the party would not survive, let alone be able to fight the next election, which could cost up to £15 million. The money to be raised by the recent much publicized blue rosette scheme, earmarked for a direct mail campaign - one



Small-scale fund-raising at Bournemouth. Big business is best - when it stumps up

Now is the time for all good men...

of Norman Tebbit's pet projects - will be insignificant compared with the contribution that business will be expected to make.

Thanks to the efforts of Labour Research, a trade-union funded research organization, group business support for the Tories is well documented. The latest survey, published last summer, shows that in 1984 320 out of a sample of 1,250 companies gave just over £2.6 million to the Tories or associated groups like British United Industrialists, a thinly disguised Tory front organization, the Economic League, and Aims of Industry.

The biggest donors were Lord Coyer's British and Commonwealth Shipping (£57,900), Sir Ernest Harrison's Rascal (£75,000), London and Northern (£57,000), Plessey (£55,000), Distillers (£55,000) and Lord Hanson's Hanson Trust (£50,000). Lord Forte's Trusthouse Forte and Sir Nigel Brooker's Trafalgar House were not far behind with £40,000 apiece. But even this rock-ribbed support fluctuates, rising to a peak at election time and falling thereafter.

What must worry Lord McAlpine even more is that once loyal supporters like Tate & Lyle, whose struggles to avoid nationalization in the 1950s led to the foundation of British United

Industrialists, are, after boardroom changes, looking distinctly pink at the edges. Tate & Lyle splits its money between the Tories and the Alliance.

The sums raised by industry for the Tories are impressive, but the base is narrow. A similar survey by The Economist for 1983 shows that the bulk was provided by 34 public companies. City firms who have prospered most from the Thatcher years are conspicuous by their absence, making Labour's recent foray into the Square Mile all the more intriguing.

The number of Labour's immediate friends in the City can be counted on the fingers of one hand: they include Lord Donoghue, formerly an economic advisor to the Wilson government and now head of research for stockbroker Grieson Grant, and Gavyn Davies, of Goldman Sachs. According to Lord Donoghue, Roy Hattersley, Labour's shadow chancellor, is under no illusions as to his reception. "It would be silly for anyone to expect him to convert the City," he says.

But Hattersley is undeterred. Under the watchful and suspicious eye of the left, he and his chief lieutenants have been assiduously doing the rounds to explain that a Labour government would not be as much as a disaster

as the City imagines; reducing unemployment was the priority, but the party would not go on a spending spree. Donoghue says the reassurance has had some success. The Hattersley line on the impossibility of re-imposing exchange controls - highlighted in an exchange with Eric Heffer at the party conference last week - is also said to have gone down well.

The problems facing the Alliance are of a rather different kind. In theory business is well disposed. A wide cross-section, while not necessarily Alliance supporters, are sympathetic to the case for proportional representation; much of what the CBI has been calling for fits neatly into the Alliance programme and even the Institute of Directors has a few kind words. It likes the Alliance's approach to small businesses and trade union reform.

Many senior businessmen are SDP supporters. Among the best-known are Sir John Harvey-Jones, the former chairman of ICI, Sir James Spooner, chairman of Vantona Viyella, John Hull, chairman of Schroeder Wagg, and Sir Leslie Murphy, formerly deputy chairman of the National Enterprise Board. From the entertainment and allied industries comes support from composer Eric Wolfson and film producer David Puttnam.

But, despite the goodwill, the money has not been forthcoming. The SDP is only narrowly in the red, but of the £300,000 raised in the last financial year, industry, according to the party's joint treasurer, David Sainsbury, provided no more than 5 per cent. "I must confess I'm a little disappointed," said the SDP's other money man, Sir Leslie Murphy. "There is a lot of support for the SDP but it has not been channelled in the way big business supports the Tories."

David Owen has also been lurching vigorously in the City. His reception has been polite, sympathetic but essentially unrewarding. The reaction of Rudolph Agnew, chairman of Consolidated Gold Fields, is not untypical. He would like to support the SDP, but couldn't stand the Liberals. Only a few companies, such as Marks and Spencer, normally loyal Tory supporters, have placed small bets on the Alliance, with the result that corporate contributions are around £70,000.

If it was not for David Sainsbury himself, a member of the supermarket family and one of the richest men in Britain, the SDP would be struggling. Sainsbury met out of his own pocket the £250,000 bill for advertising at the last election and in the hiatus that followed spent a further £40,000 to rebuild the party's fund-raising machine. Very soon now, the Alliance will begin the big push. The two Davids have started to launch in tandem. By, meanwhile, David Sainsbury waits for the mould to break and says: "I just wish business would be a little more forward-looking and a little more imaginative."

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Reagan: summit-bound beset by scandal

Washington "Faith in the word of America is the pulse beat of our democracy. Anything that hurts America's credibility hurts America." These hitler words by State Department spokesman Bernard Kalb in his resignation statement could not have been more wounding, or come at a more embarrassing moment. For on the eve of a summit, credibility is all in superpower politics and the jostling to win over world opinion. No wonder the White House was so curiously dismissive of him; no wonder the Libyan "disinformation" scandal seems such a propaganda gift for Moscow.

Both sides have been upset by the unexpected this past week. The Russians lost a submarine; the US suffered the shooting down of an American-crewed plane over Nicaragua and the public parading of a captive. To Washington's pleasant surprise, Mikhail Gorbachev sent the White House a message about the submarine explosion soon after it occurred. As President Reagan conceded, "They have learned something, from Chernobyl". As a result there

has been little criticism of Moscow and relatively few press reports about the constant cat-and-mouse submarine stalking in the Atlantic.

The Americans were less forthcoming about the crashed aircraft. "It was hired by private people and had no connection with the American government at all," declared George Shultz, the Secretary of State. But the sceptical media are not convinced and have dwelt at length on the murky world of unofficial US support for military advisers and mercenaries operating in Nicaragua.

Far more damaging, however, is the disinformation affair. For this is not simply a question of creating to some embarrassing event far away; this is the revelation that one of the most senior White House officials - Admiral John Poindexter, the national security adviser - has been privately advocating to the president a campaign of official lies and half-truths to destabilize Colonel Gaddafi. And what is worse, he has used the very word "disinformation" in a written memorandum - a word that to conservatives is the very hallmark of KGB operations and their alleged influence

on left-of-centre journalism. It is, indeed, a purely Russian word.

All might have been well had Poindexter not written it down. Conservatives applaud any attempt to oust Gaddafi, even the use of strong-arm tactics. But at a time when Reagan's key supporters are warning of Moscow's relentless attempts to use the "liberal media" to derail US policy, the moral element of their indignation has been grievously undercut. They have joined the liberals in denouncing the admiral and his plan.

The affair might have died down but for Kalb, the first senior official in six years to resign from the Reagan administration on a matter of principle. Choosing his words with care, he has clearly suggested that the denials that there was any attempt to deceive the American press were themselves lies.

When perception and propaganda will dominate a summit officially shrouded in silence, the Americans have been put at a disadvantage, while the Russians, who have been so assiduous in improving their press relations,

can smirk at American discomfort. This extends beyond the White House to the House of Representatives, whose Democrat majority has put off voting on arms control resolutions which the White House insists, would weaken Reagan's negotiating position at Reykjavik.

The political repercussions will continue after the summit. A furious Reagan has already called in the Federal Bureau of Investigation to trace the source of the leak. But it may be too late to save the credibility of Admiral Poindexter.

Already there has been criticism that he is not up to the job once filled by Henry Kissinger and Zbigniew Brzezinski, that he has little influence within the administration and poor relations with Congress. The European allies, alarmed in August by the apparently gratuitous new Libyan crisis, will be just that much more sceptical now they know the reason. And Gaddafi, far from being overthrown, is sure now to brag that any American statements that he is backing terrorism are mere lies.

Michael Binyon

David Watt

What shall we do about Syria?

The Old Bailey hears some pretty unsavoury stories but not often as extraordinary as the allegations at the trial of Nezar Hindawi, the Jordanian accused of trying to blow up an Israeli jumbo jet by planting a bomb in the luggage of his pregnant Irish girlfriend.

The central charge, if it is proved, stuns the imagination. But the overtones of the affair go far beyond that. The prosecution claims that after he left Heathrow, Hindawi proceeded to the Syrian embassy in London where he presented a letter to the ambassador, Dr Louf al-Haydar. The ambassador is then alleged to have phoned Damascus for instructions and subsequently packed Hindawi off in the care of three of his embassy staff, who tried to disguise him and would have taken him back to the embassy if he had not taken flight and run off.

If this story is established, the consequences are profound - the Syrian embassy, and by extension the Syrian government, will have been implicated in a terrorist attempt and Mrs Thatcher will have to decide what to do about it. It is relevant to note Sir Geoffrey Howe's statement to the Tory conference: "Any state which directs violence against another nation must meet the anger of the whole civilized world."

The decision is an extremely difficult one for the government. Parliament and public opinion will surely call for drastic reprisals and Mrs Thatcher's highly visible stance on the subject of state-supported terrorism, especially in the case of Libya, will incline her to comply. After WPC Yvonne Fletcher was shot dead by a member of the Libyan embassy staff Britain broke off diplomatic relations with Libya immediately. Only last month, when clear evidence was shown in another trial that Libyan Arab Airlines was involved in a bomb plot, Britain suspended Libyan flights to London. If the evidence suggesting Syrian involvement is convincing and the government fails to take action, Mrs Thatcher will be denounced for appeasement by the Israelis and Jewish opinion here and in the US; she will lose face with President Reagan and the European allies, and be harassed unmercifully by the British popular press and Conservative backbenchers.

Yet things are not as straightforward as that. A reprisal against Colonel Gaddafi was safe and easy enough but Syria and its President Assad are quite another matter, as even President Reagan has been forced to recognize. Syria is a state which is now under the direct protection of the Soviet Union, its influence in the Middle East is extensive, it controls much of Lebanon, it is the key to the peace process, and it has close links with some of the most formidable terrorist groups. An out-and-out breach with Syria might therefore have the following repercussions:

- Closure of Britain's valuable diplomatic listening post in Damascus and probable withdrawal from Beirut as well.
- All British property and individuals in the Middle East might become priority targets for Abu Nidal and other terrorists.
- Other Arab states, even Saudi

Arabia, might feel obliged to cool their relations and their trade with Britain for a while.

• British air flights to the Middle and Far East, most of which are now routed over Syria, would have to be diverted.

These consequences might be avoided if Britain could get full-scale support and similar action from others. But one of the unwelcome facts of life is that in any exercise involving serious sanctions against Syria we shall be on our own. The Americans have superpower reasons for keeping open their lines to Damascus. The



Nezar Hindawi

likely attitude of the Europeans can be judged by the fact that when Britain tried a week or two back to get firm backing for the banning of Libyan Airlines, they offered nothing more than a bland statement acknowledging that the British action was "fully consistent" with EEC policy. The only state that would be delighted to back us, possibly with military action, would be Israel, but the more we are associated with the Israelis the worse our general position in the Middle East becomes.

This last perspective brings us to the question of motive; and here the Syrians will probably either claim that they have been framed or deny the charge completely. President Assad himself has frequently and forcefully stated his opposition to airline terrorism and it seems unlikely that the Syrian government would have hired somebody directly to blow up an Israeli airliner when it has so many indirect agents, such as Abu Nidal, at its disposal. Weighing all this up, it begins to look as if the plot, if plot there was, was a piece of private enterprise by officials in the middle reaches of Syrian intelligence with possible embassy cover.

This theory would reinforce the arguments for caution on Mrs Thatcher's part if action has to be taken against Syria. It would really be very difficult to see how the Syrian ambassador could be allowed to remain in London - and if he is expelled, no doubt the British ambassador in Damascus will be kicked out in reply. This limited tit-for-tat would probably be criticized as weakness, but it reflects the realities. Assad cannot disown anybody in public, for reasons of "face", but given a little leeway might be encouraged to clean up his act. It is not much of a hope, perhaps, but if we are realistic we have, like the US, to recognize that if Britain is to retain any influence in the chaos of the Middle East, it can only do so by keeping some kind of dialogue going with the main actors, however unpleasant.

moreover... Miles Kingston

It's the ultimate in automatics!

Do you remember the car that they said was built by a robot? Today, Moreover Enterprises announces something even more amazing.

It's a robot built by a car.

Yes, the Moreover Robot has been designed and built by all the expertise at the command of the car industry. Just consider these facts about the Moreover Robot:   
□ It picks up mysteriously every 5,000 miles or six months.   
□ You can hang a suit on a hanger down the side.   
□ The cassette player is the one bit that never goes wrong.   
□ It goes slower in a city than a bicycle.   
□ You can't leave it anywhere, legally.   
□ It kills about 6,000 people in Britain every year.

Yes, the Moreover Robot is the kind of robot that every car-driver can identify with. That's because it's the first robot that has been built by a car. Did we say that already? Then we'll say it again, because it's a first for Britain, a first for the robot industry and a first for Moreover. This is the only robot on the market which:   
□ Runs out of fuel at the wrong moment.   
□ Sends you to sleep when you're using it.   
□ Smells of cheap plastic.   
□ Makes your back ache after half an hour.   
□ Has a sign in the back window saying: "Robots do it automatically."

The Moreover Robot can do anything a car can do. It can go to Sainsbury's and find a parking space after 15 minutes. It can leave a pool of oil outside your front door. It can make your children feel sick and make funny squeaking noises which make you say: "I'm sure that funny squeaking noise wasn't there yesterday." And there's even a special spray attachment called a windscreen spray which, when you switch it on, makes the roof-rack wet. It's so like a car, it's worrying. You have to leave it outside at night, and you have to pay a lot of tax on it. It costs far too much in insurance and it goes rusty in the most unusual places. After you've had the Moreover Robot for a year, you say to yourself: "God, why did we ever get this?" It couldn't be more like a car!

Yesterday saw the grand launching ceremony, when more than 100 motoring and robotics correspondents turned up to get drunk at our expense and then write nice things about the new Moreover Robot. It took place at the Beaulieu Museum of Vintage Robots, owned by Lord Montego of Beaulieu, who had this to say in his welcoming speech:

"Please try not to cause too much damage, OK lads? And now I'd like to welcome my old friend, Lord Moreover, who will tell you something about this wonderful new British robot."

At this point Lord Moreover flew in in the controls of a Helpline helicopter and crashed on the west lawn. He was dragged from the wreckage by his team of crack scriptwriters and pushed towards the microphone, where he said:

"Hello. In this damned microphone working? Testing, one, two, three, four. Right, here we go: My name is Lord Moreover, and I am here to tell you about the new Moreover Robot, which has been designed by a car. In a moment all you fearless journalists will be able to get at the free champagne, but first I want you to see the robot in action. OK, let her rip!"

At this command the Moreover Robot chugged forward into the demonstration area, where it did a three-point turn and then pulled over to the hard shoulder, where it phoned for help. "Yes," said Lord Moreover, "well, there are a few things to be ironed out yet, but basically this is a robot in the good old British tradition. We think we have got a world-beater here. We just hope the world will stay still long enough to get beaten. Now, where's that champagne?"





1 Pennington Street, London E1 9XN Telephone: 01-481 4100

# A MESSAGE FOR THE MARKETS

The Chancellor of the Exchequer, Mr Nigel Lawson, has never been accounted one of nature's political orators. His reputation has rather been that of a man indifferent to the need to win friends and influence people. Yesterday, however, it was different. His speech to the Conservative Party conference was the most politically intensive and persuasive he has yet made. Its twin themes were the need for further tax deductions and the importance of the fight against inflation, and its success can be measured by the standing ovation it received from a conference which has apparently been more concerned to encourage increased social spending than to support either of these aims.

Although delivered at a moment when there is much speculation about interest rates and the level of sterling, Mr Lawson's speech was conspicuously devoid of economic and financial analysis directed at the preoccupations that account movements in sterling immediately after the speech appeared to reflect a certain disappointment with what Mr Lawson had had to say. That however, misunderstands the nature of a party conference and underestimates the financial significance of the Chancellor's political message.

Within the Cabinet there has for some time been a running argument, which will continue, between those ministers who wish to speed more in total on the social services, either at the expense of tax cuts or of the agreed total spending limits, and Mr Lawson who has different priorities to maintain the fight against

inflation and to reduce taxation, particularly for the lowest paid, as the best non-inflationary means of creating jobs. Since the principal current pressures in the party have been on the side of the spenders, the markets should perhaps register as significant Mr Lawson's message, that his priorities remain unchanged.

He reminded his audience that no government has been defeated unless the tide of ideas had turned against it, which has certainly not happened with the tide of ideas on which Mrs Thatcher's government came to power. He was right to pledge himself against irresponsible spending and borrowing or risk-taking with inflation. For even the fight against unemployment does not justify the inflationary weapon. There are better and more moral ways.

In another speech yesterday, the employment secretary, Lord Young put unemployment in its international context to show that we have more people at work than the other major European industrial countries, and that we are certainly doing more by way of training schemes than they are to counteract it. Yesterday he announced some sensible new plans, of which the most important was a new job training and work experience scheme for those unemployed for more than six months. Another was the application of the new Restart programme, which at present covers those who have been unemployed for 12 months, to those who have been on the unemployment register for only six months.

This is the right way to deal with unemployment in the short term. For the long term

the wealth-creating popular capitalism which remains Mr Lawson's vision for the future is the best answer.

Perhaps the most important part of his speech was the reminder of the too easily forgotten immorality of inflation: the hardship it inflicted on pensioners and the moral need to defeat it. Though he reaffirmed his aim to reduce the basic tax rate from 29 to 25 per cent, he added the rider that this would be done when it was "prudent". Prudence is, indeed, the key. The argument between social spending and tax cutting will go on, but the Chancellor's speech seems to confirm that whatever money is provided for new schemes will be found from within the already agreed spending programmes and that tax cuts must also fit into the borrowing target.

That is a message of significance for the markets. Equally the Chancellor was surely looking pointedly at the market when he insisted that he would not take risks with inflation. This can only imply defending the pound against a fall which would have inflationary consequences.

Mr Lawson will be judged by his actions. It is possible to have two views about what the monetary statistics are telling us just now, but there are two views about the exchange rate. Whatever the reasons for the fall of the pound — of which the cost to the trade balance of lower oil prices is one — its continuance would have inflationary consequences inconsistent with Mr Lawson's words yesterday. If interest rates have to go up to save the pound from an inflationary fall, it must be presumed that he would accept that economic necessity.

# Controversy on woman priest

From the Bishop at Lambeth  
Sir, Your leading article (October 7), "An act of worship?" about the service to Church House presided over by a woman priest is somewhat misleading. So, I believe, is your Religious Affairs Correspondent's front-page article of the same date. May I attempt to put the record straight on certain points?

1. You say the Archbishop of Canterbury has "ordained an investigation". This portentous phrase gives quite the wrong impression. He has asked me to find out what happened and to let him know on his return from the United States.  
2. The Archbishop has made no judgmental statement on the legal issues involved. Nor would he until he had had an opportunity to consider the facts of the matter.  
3. In response to what your Religious Affairs Correspondent wrote, may I point out that Canon Law does envisage that Holy Communion may sometimes be celebrated elsewhere than in a consecrated or licensed building. In such cases, except for ministrations to the sick, the minister is required to have permission from the bishop of the diocese (Canons of the Church of England, B.40).  
Yours sincerely,  
RONALD GORDON,  
Lambeth Palace, SE1,  
October 7.

From the Rev Father Francis A. C. S. Bown  
Sir, The present difficulties of the Church of England are so grievous that, if the Established Church is to survive as something more than a mechanism for legitimizing the residual desire of the average Englishman, she is in desperate need of firm, vigorous and faithful leadership.

As a Church which claims to be catholic in her doctrine and apostolic in her order, she looks for that leadership to her bishops. As successors to the 12 chosen by Christ, our bishops are consecrated within the Apostolic Succession to uphold the doctrine and discipline of the Church and to act as the symbols and agents of the unity of the Anglican flock. In fact, however, the present bench of bishops constitutes a serious obstacle to the renewal of the Church of England. Episcopal words and actions frequently seem calculated to undermine the faith and to promote disunity and division.

Now the action of the Suffragan Bishop of Kingston in receiving Communion at a service conducted on October 4 by a woman "priest" in Church House, Westminster, in open defiance of the canons of the Church, shows us just how far some of our bishops are prepared to go to embrace

# Housing needs of the needy

secular ideology rather than catholic truth.  
If the Church of England is to be again a healthy part of catholic Christendom, we must have bishops who will take seriously their charge made to them at their consecration: "Be to the flock of Christ a shepherd, not a wolf; feed them, devour them not."

Who will rid us of our present bishops?  
Yours in Dna,  
FRANCIS BOWN, Chairman,  
Ecclesia,  
St Stephen's Presbytery,  
29 Westbourne Avenue,  
Kingston upon Hull, Humberside,  
October 6.

From Deaconess N. M. Wanstall  
Sir, Let it be assumed that all members of the Movement for the Ordination of Women support illegal celebrations of the Eucharist by women priests from abroad in this country. I am writing to express my own disapproval of such action. I have every respect for the priest concerned and would love to receive her ministry myself but I cannot approve of the deliberate disobeying of laws made in our system of democratic synodical government.

Two things should be said, however. Historical precedent for breaking Church laws has been set by other movements, such as the Oxford Movement of the 19th century, when they believed that what they did was fundamentally right, and right for the Church.

I also believe that the Synod's ruling this year that women ordained abroad should not be granted permission to celebrate the Eucharist here, while their male colleagues may, was one of the most shameful and cowardly decisions the Synod has ever made.

Yours faithfully,  
NOELLE M. WANSTALL,  
School House,  
St. Leonard's Road,  
Hythe, Kent,  
October 6.

From Dr P. Allington-Smith  
Sir, Having been able to fulfil my own medical vocation in perfect continuity for the past 30 odd years I am the more saddened by the furore in the media about the fact that "a woman" celebrated Holy Communion.

That the admirable Reverend Joyce Bennett should be denied fulfilling her vocation now that she has returned to this country is bad enough, but the ridicule and ignominy heaped by friend and foe alike on my Church is becoming very difficult to bear.

Yours faithfully,  
PATRICIA ALLINGTON-SMITH,  
The Vicarage,  
4 Barnard Avenue,  
Great Yarmouth, Norfolk.

# The chairman's task

From Mr Ludovic Kennedy  
Sir, "I am now set up as a conjurer," said Nelson, "and they will soon find out I am far from one" — a saying which came to me after reading the headline to Mr Brian James's article, "Can the Duke bring the BBC to heel?" (October 2), as though he were some latter-day St George in hot pursuit of the Portland Place dragon.

Exactly what do you expect him to do? Persuade his fellow governors to insist on a screening of a programme deemed to be in the least controversial? And then what? Set themselves up as editors, as happened with the temporary banning of the Ulster Real Lives programme? How long do you think programme-makers would be prepared to accept such an arrangement before resigning? Some people do not seem to begin to understand the present structure and nature of broadcasting. The BBC is not, as certain MPs would like it to be, and as both stand up to government (any government) and embody and express the purposes and values of what he (Duke) has already called "a great institution".  
Yours etc,  
LUDOVIC KENNEDY,  
Ashdown House,  
Avebury,  
Marlborough, Wiltshire.

# Peace congress

From the Foreign Minister of Denmark  
Sir, I read with interest the article by Lord Chalfont in the *Times* (September 19) about the so-called "world congress devoted to the international year of peace", which is going to take place in Copenhagen later this month.  
I do not disagree with Lord Chalfont as to the question of who is organizing the World Peace Congress and what is supposed to be its purpose. The Danish Government has no sympathy for one-sided propaganda enterprises. But I do not agree to his suggestion of how to deal with the matter — i.e., to ban the World Peace Congress from taking place.  
Denmark is an open society, which allows people the freedom to meet and discuss whatever they like within the limits set by the legislation. And we are, of course, living in another international climate than in 1950, when the British Government decided to refuse entry visas to about 200 would-be delegates to a similar congress in Sheffield.

# Personal affront

From Mr John Dibblee  
Sir, I share the ignorance of the non-seagiving fraternity described by Lieutenant R. R. Best, RN (October 7) in thinking there is a difference between a ship and her captain. My only information on signal flags comes from an RNLI cooking apron just given me for my birthday. The letter "J" evidently means "I am on fire and have dangerous cargo on board. Keep well clear of me".  
If this is the captain speaking, why don't his crew just put him instead of hoisting a flag about it?  
Yours faithfully,  
JOHN DIBBLEE,  
43 Cross Lane,  
Cublington,  
Leamington Spa, Warwickshire,  
October 7.

# Education policy

From Mr J. L. Nightingale  
Sir, So the Labour conference has decided to end the assisted places scheme and has made its ultimate objective the incorporation of all public schools in the national system but as non-fee paying and non-selective. Even Mr Radice's old school, with its reputation for outstanding scholarship, is included.  
Conservatives, however, need to be reminded that, like Pilate of old, most Conservatives stood aside while the State grammar schools were slaughtered. Hull Grammar School, founded in 1329, was made comprehensive in 1968 and is to close finally — with a Conservative minister's blessing — in 1988.  
Are Conservatives so sure that their policies in the sixties give us confidence to support them in the eighties?  
Yours truly,  
J. LESLIE NIGHTINGALE  
(Headmaster, Hull Grammar School, 1951-68),  
4 Nene Road,  
Higham Ferrers,  
Northamptonshire,  
September 30.

# Dissidents in jail

From the Chairman of the National Council for Soviet Jewry  
Sir, Your leader on "The other East-West trade" (October 2) touches upon a most essential element in any meeting between East and West.  
The trade in souls, though unpalatable, has been an unfortunate necessity. Nevertheless "the many people in the Soviet Union who dissent from the policies of their government or who, like many Soviet Jews, wish to emigrate" do not simply wish to become items on an international "shopping list".  
Rather, the dissidents and refuseniks require our statements not simply to plead for trade in one or two individuals, however worthy, but to ensure that human rights in general and repatriation in particular should become an integral part of future discussion.

I indeed the validity of any fresh agreement with the Soviet Union must be called into question whilst so many commitments previously entered into remain outstanding.  
Yours faithfully,  
ARIEH L. HANDLER, Chairman,  
National Council for Soviet Jewry,  
College House,  
4a New College Parade,  
Fimchley Road, NW3,  
October 3.

# One more river

From Professor R. Cobb, FBA  
Sir, Nostradamus has got it wrong (report on papal visit, October 3). As any Lyonnais knows, three rivers converge at Lyon: the Rhone, the Saone, and the Beaujolais.  
Yours faithfully,  
RICHARD COBB,  
165 Godstow Road,  
Wolvercote, Oxford,  
October 3.

# ON THIS DAY

OCTOBER 10 1812  
The forces were nearly evenly matched — Napoleon's 130,000, Russia's 127,000. The French were denied an outright victory, although the Russians were forced back about a mile, later withdrawing in good order south of Moscow, which the French entered on September 14. Russian losses were 45,000 killed and wounded; French, 38,000.

[BATTLE OF BORODINO]  
Foreign Office, Oct 8, 1812.  
A dispatch has been received from Lord Cathcart, dated St. Petersburg, the 18th of September. His Lordship incloses the following official account, published at St. Petersburg, of the proceedings of the Russian army, from the time Prince Kutousoff took command to the 8th of September.  
OFFICIAL INTELLIGENCE FROM THE ARMY.  
Dated 8th September.

"The Prince Kutousoff, appointed by His Majesty the Emperor Commander-in-Chief of all his armies, arrived at the headquarters at Czarevo Salskoe, on the evening of the 29th of August. He found the first and the second armies in junction, but retreating upon Gelnatz and abandoning Wisma. General Barclay de Tolly having not thought that position favourable enough for accepting battle... The village of Borodino, situated 12 versts in advance of this town [Mojaisk], is the point on which it was determined to await the enemy. The position behind the village was strong enough on the right and centre, covered by a ravine and deep rivulet. But the left, supported by the village of Semenovka, did not afford the same advantages... In order the better to insure the defence of the weak point of the position, Lieutenant-General Toutschkoff, with the third corps and a part of the Militia of Moscow, was placed in ambush behind the brushwood at the extremity of the left, with orders to act by the old road from Smolensko, upon the right and rear of the French, as soon as they should attack, and endeavour to turn our left..."

"Prince Kutousoff, immediately on his arrival at this position, had assembled the Generals, and harangued the Staff; he was received with acclamations of the warmest enthusiasm. Full of the sacred cause they had to defend, which even then gave an assurance of the glorious deeds, of which the day of the 7th was witness. At 4 o'clock in the morning the enemy, availing themselves of a thick fog, began their movement towards the left. Soon afterwards the battle became general and continued until night. The principal efforts took place on our left. The attack on the redoubts was extremely sharp, and they were most vigorously defended. They were disputed until 10 o'clock with an unexampled obstinacy. It was in this sanguinary combat that Major-General Count Woronzoff was wounded, in a bayonet charge against the enemy. The Commander-in-Chief of the second army, Prince Bagration, was wounded soon afterwards. Nevertheless, all the attacks which the enemy made against the left of our position, as well with his infantry as with his cavalry, were fruitless, and repulsed with such loss, that towards night he was even forced to abandon the high ground which he had gained in the morning. His attacks upon the centre did not meet with better success. Repulsed at every point, he retired towards the beginning of the night — and we remained masters of the field of battle. On the following morning General Platow was sent in pursuit of him, and had come up with his rear guard, at 11 versts distance from the village of Borodino.

"Such are the impressions which result from the first reports dispatched from the field of battle. The loss of the enemy is immense in killed, wounded and prisoners... A leading article the same day said: 'The Bulletin, issued on 7th of the day, from the Foreign Office, goes but a little way toward relieving that anxiety which pervades all classes of people as to the present situation of the Russian armies... there is not the least ground for imagining that the Russians took up any forward positions after the battle; there is not the least ground for imagining that the French were not on the 10th (the date of the 18th Bulletin) at Mojaisk... In many respects this Bulletin is little calculated to satisfy those, who, like ourselves, desire to entertain reasonable hopes of the Russian success. We are not even informed, with the least degree of distinctness, what was the French loss in the battle of the 7th...'

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# In other words

From Mr Tony Fine  
Sir, The welcome by Mr Huw Davies (October 2) for the "bold experiment" of showing the film *Shane* dubbed in Welsh reminds me of an event that occurred a few years ago in Yugoslavia.  
While holidaying in a remote part of Montenegro I entered a bar to find a large group of locals round a television set in fits of laughter. On closer inspection I discovered that they were watching *On the Beach*, dubbed into Serbo-Croatian.  
Since the English version had very rarely produced a similar reaction in your correspondent I could only conclude at the time that there was a lot to be said for modifying English entertainment in this way.  
Yours etc,  
A. E. M. FINE,  
28 Elsworth Road, NW3,  
October 3.

# ISRAEL'S IMPROBABLE PARTNERSHIP

Today, in a demonstration of power-sharing which few believed possible two years ago, Mr Shimon Peres stands over the reins of government in Israel to his old right-wing antagonist, Yitzhak Shamir. Peres and Shamir are divided by personality as well as politics and their coalition Cabinet has reflected these divisions.

In the past two years, there have been occasions when it has looked as if their frail union would collapse. There have been times indeed when I looked in Peres' interests that it should — providing him with a chance to test the electorate once more and emerge with a clear majority in the Knesset.

But the arrangement under which the leaders of Israel's two main political wings would take turns at being prime minister during the four-year coalition government has survived. It has also achieved.

When he moved into the job of prime minister, Peres set himself three main objectives: reform of the country's economy, withdrawal of the army from Lebanon and an advance in the Middle East peace process. He can look back with some satisfaction on inflation rate which has been cut from around 445 per cent to less than 20 and on the return of most of the troops from across the Lebanese border — though the situation there has left behind gives much less cause for comfort.  
The improvement in the economy has been achieved

only with help, and at a cost. The help has come from the United States and from lower oil prices. The cost (of giving priority to the fight against inflation) has been a doubling of unemployment and less expenditure on regional development. Few Israelis have money to spare. But Peres bequeathed to Shamir a more manageable economy than the one he inherited two years ago.

The peace process has been another matter. It is hard to share the confidence which Peres expressed yesterday in the prospects for direct talks between Israel and its Arab neighbours. But he recently succeeded in repairing Israel's damaged relationship with Egypt which, despite huge problems with its economy and over-population, remains the most significant country in the Arab world. This has been accomplished moreover without greatly impairing President Mubarak's relations with the rest of the Islamic world.

It is also true that he has eased the way for negotiations with King Husain by encouraging the growth of Jordanian influence on the West Bank, through judicious mayoral appointments, and by falling in with Husain's demand for an international conference on the Middle East. The fasting significance of his recent meeting with King Hassan in Morocco lay not in what was achieved (or not achieved), but in the fact that another Arab leader, the first since the late Anwar Sadat, had taken part in a summit

with Israel. By agreeing to his talks with Peres, Hassan was himself holding a spare umbrella over Husain — to protect him from Arab vituperation should he now do the same.

If Peres has paved the way for direct talks with Jordan, will Shamir now come along and smash the flagstones? Shamir is after all opposed to the idea of an international conference and while prepared to talk in terms of "territorial compromise" by Israel is unlikely to go very far along that particular road. The conventional wisdom has been that any chance of advancing towards a Palestinian settlement would have to be made during the first two years of the coalition government, while Peres was in charge.

This is to ignore several factors. One is that Peres himself will still be foreign minister and deputy prime minister so, although there will be differing shades of emphasis over the next two years, one should not necessarily expect to see Israeli foreign policy go into reverse. Secondly, Shamir has been foreign minister since 1984 and the policies which the government has pursued have been in accordance with certain guidelines agreed by the parties to the coalition when it was formed.

The difference between the two men is perhaps that when Mr Peres is confronted by a proposal he is inclined to say "Yes, but..." whereas Mr Shamir says "No, but..." The next two years will show whether, in the end, these mean much the same thing.

# THE PROTECTION OF CHILDREN

For some time, police, lawyers and social workers have been disturbed at the number of cases of sexual and physical abuse of children that never come before the courts. Among the apparent reasons for this are that children who have been abused by adults are often too disturbed by the experience to face a court. Children naturally find the process of cross-examination upsetting one. Being asked to relive a traumatic experience is painful. Some do not wish to encounter their attacker even in the protective circumstances of a courtroom. Others are intimidated by the courtroom atmosphere itself. Even if the children themselves are prepared to endure these trials, very often their parents decide to safeguard them from further distress. It is difficult to argue that they are wrong. The result is that people guilty of sexual abuse escape a very serious crime go free. It is not infrequently

enough, physical and sexual abuse of children is likely to increase.

That is the state of affairs which the Home Secretary proposes to remedy with legislation he announced to the Conservative Party conference this week. It would allow children in such cases to give their evidence to the court by means of a live video link in a less intimidating atmosphere. This idea deserves support as a sensible, but limited reform. Cross-examination by a video link may soften the experience of a trial. But a child who has been attacked will still have to give evidence and submit to cross-examination and is still likely to find it distressing.  
This is required by the overriding consideration that the accused should receive a fair trial. It is particularly important to remember that a man is innocent until proved guilty even when he is charged with an offence which rightly arouses strong public indignation.

In such circumstances public opinion is tempted to demand that the law's procedural safeguards be swept away in order to prevent the guilty from escaping.

That is something to be guarded against in this as in other matters. Children sometimes tell lies. The extent of sexual abuse is not accurately known and the larger estimates may well exaggerate it. And some video interviews conducted at a pre-trial stage by social workers in an attempt to persuade children to describe traumatic experiences have subsequently been criticised by the courts for being based upon the preconception that abuse has occurred.  
If these dangers are borne in mind, however, and the initial use of video evidence is carefully monitored both to assess its success as an experiment and to prevent its misuse, Mr Hurd's legislation can be welcomed as an additional weapon against especially vile crimes.







مكتبة من الأصيل

FOCUS

CHINA/2

# How the lion and dragon learnt to live together



When the Royal Navy annexed South China's "Fragrant Harbour" in January 1841, Queen Victoria jotted a letter to her uncle, King Leopold of Belgium: "Albert is so much amused at my King, and we think Victoria ought to be called Princess of Hong Kong in addition to Princess Royal."

Tea and opium had brought the lion and dragon toward a clash of destinies in the South China Sea. For decades before the opening of hostilities in 1839, Britain had made successive attempts to induce Manchu emperors to permit

The first English ships had reached China in 1637. By the end of the 18th century, the East India Company dominated western commerce with Canton, the only port open to foreigners.

England's demand for tea was six times the value of all British goods imported into China in the decade before the embassy of the Scottish peer, George Macartney, to Peking in 1793.

Because the Chinese were lukewarm towards products such as English woollens, the East India company was embarrassingly dependent on opium to offset the cost of tea. From 200 chests a year in 1767, British smugglers were shipping 39,000 chests to China in 1837.

The Qing government declared prohibition and in 1838 burnt Canton's stock of 20,000 chests. A British expeditionary force set out from Hong Kong harbour in June 1840.

After Shanghai had been occupied and the southern capital of Nanjing besieged, the Chinese agreed to open four new ports to British traders with a resident consul in each. By the Treaty of Nanjing, ratified in 1842, Hong Kong passed "in perpetuity" to the British Crown.

It was not enough. A second opium war attracted Charles Gordon, a young officer who arrived, in September 1860, "rather late for the amusement". The future hero of Khartoum took part in the sacking of the Son of Heaven's Summer Palace, which the British Commissioner, Lord Elgin, decided to destroy in

retribution for the torture of prisoners of war.

Six days later, by the "Capitulation of Peking", a title which still rings unmusically in Chinese ears, the opium trade was made legal. Kowloon Peninsula was also ceded "in perpetuity", adding part of the mainland to the Colony of Hong Kong. "Chinese" Gordon then became the Manchu government's chief instrument in suppressing the 14-year Taiping Rebellion and was rewarded with the Yellow Jacket granted to only 50 mandarins in the empire.

An Ulsterman, Robert Hart, from Portadown, also served the Celestial Kingdom with distinction. Over 50 years he developed the Maritime Customs Bureau, the greatest single means by which China modernized itself in the 19th century. It charted the China coast, installed navigational aids and established the first modern postal service.

The opium wars opened 17 ports to British traders. Behind the British crowded other foreign powers, which together reduced the dying Manchu empire to semi-colonial status.

From 1860 until the turn of the century, Britain controlled more than 80 per cent of the country's foreign trade. From Hong Kong, the Royal Navy

## Kill the foreigners, cried the rebels

policed the China coast. British firms engaged in shipbuilding, engineering, textiles and mining. British banks even furnished Chinese currency.

Uneasy at the growth of French and Russian power in the Far East, Britain in 1898 leased the "New Territories" island from Kowloon for 99 years to be better able to defend Hong Kong. No rent was mentioned or has been paid.

"Destroy the foreigners," cried the Boxer insurgents in 1900, when they besieged the British legation made sandbags out of milk tins until a large international force restored order in Peking. The Boxer Protocol of 1901 shackled China with an astronomical indemnity of three times its annual revenue, over-burdening the feudal power structure which finally fell in Sun Yat Sen's revolution of 1911.

In a famous memorandum, dated 1926, the British Government invited the other treaty powers to abandon the special privileges that branded China with the mark of inferior national states.

The last British troops stationed in Shanghai and North China were withdrawn in August 1940. Three years later, Britain surrendered extra-territorial rights and Chiang Kai-shek's China became the equal and the ally of Britain and the US.

The total victory of the Chinese Communists in 1949 caused grave concern to Britain's Labour Government, which feared an attack on Hong Kong. The Cabinet was further jolted when the frigate Amethyst was shelled as it sailed up the Yangtze to Nanjing. Britain was the first western government to recognize the People's Republic in January 1950, yet ambassadors were not exchanged for another 22 years.

At times, relations could

hardly have been worse. Riots in Hong Kong and the sacking of the British legation in Peking in 1967 marked the nadir. Four years later the "Forbidden City" was opened for English table-tennis players, and Sir Alec Douglas-Home, the Foreign Secretary, followed them to Peking.

Restoration of diplomatic, trade and cultural relations was rapid. In 1984, with Mrs Thatcher's signature on the Sino-British joint declaration on Hong Kong, that borrowed place living on borrowed time, the Queen pencilled China in her diary for 1986.

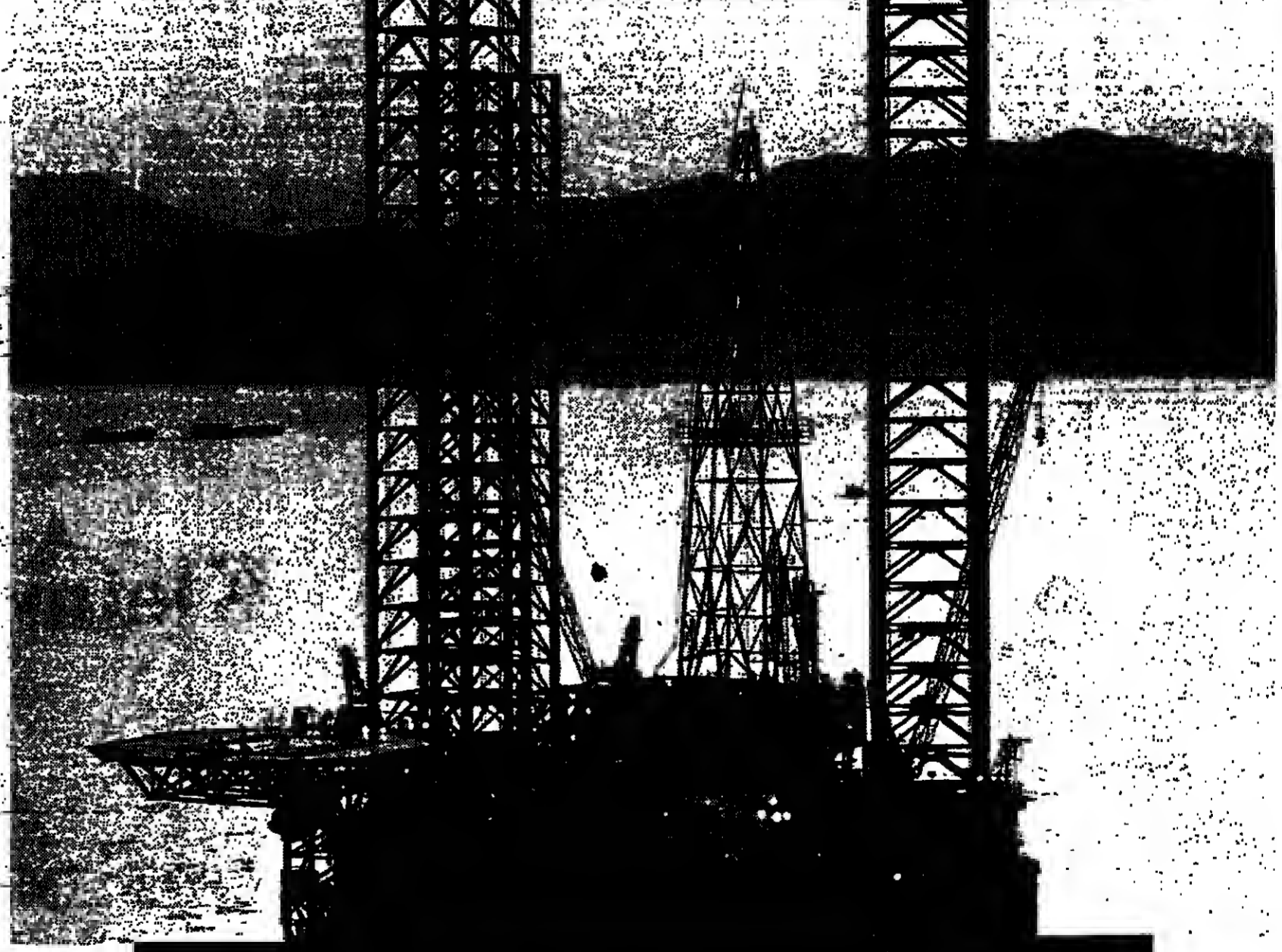
Alastair Percival

The author is a Press Association journalist who has worked in China.



Where there's a wheel, there might be a way: cyclists competing for space on the streets of Peking

## Who's behind promising opportunities with many of China's high-growth industries?



# Hutchison.

Business is humming with China because we specialize in key industries, develop two-way trade and establish the best of contacts.

Hutchison knows that to be strong in China trade, you must be patient yet persevering. You must know the right people and show that you welcome two-way trade.

No one understands this better than we do. We also know we cannot handle it all, that's why we select only certain high-growth areas in which to operate.

Our China Trade Division now has offices in Beijing, Guangzhou and Shanghai. We are helping to strengthen China's coal industry with both equipment and technology. And we provide logistical support for their offshore oil programme.

Other areas of our growing trade include aircraft, transport and food processing. And we buy more than we sell - we spend millions of dollars on food for our supermarkets and coal for our

power plant here in Hong Kong.

Through a new joint venture company, Hutchison is also actively promoting the economic development of Hunan, one of the richest agricultural and mining provinces in China.

Today, no one else has better contacts - where they matter - than Hutchison.

If you want to trade with China, call us first. We'll tell you whether Hutchison can help promote your line of business. You won't find a better partner.

For our Annual Report, which gives you a clear insight into our strengths, diversity and human resources, write to: The Lord Derwent L.V.O., Managing Director, Hutchison Whampoa (Europe) Ltd., 9 Queen Street, London W1X 7PH, U.K. Or to: A.C. van der Linden, Company Secretary, Hutchison Whampoa Ltd., 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong. It could be the start of a profitable partnership.



### Hutchison. We mean business in Hong Kong.

Sarah Hemmings

## Out of disaster, a new economy

For 28 years Peking's economic mandarins used Soviet-style five-year plans to guide China's development. The results were either mixed or, in the case of Mao Tse-tung's Great Leap Forward (1958-60), downright disastrous.

However, since the introduction of the open-door policy and the four modernizations in the late 1970s, China's unimaginative national development plans have blossomed into blueprints for dramatic reforms in the world's largest planned economy.

This year alone the list of achievements has been impressive: the opening of a bond market in Shenyang, Liaoning province; the end of guaranteed lifetime employment; the spread of the contract labour system; the first reported bankruptcy (of a Shenyang munitions plant), an important indication of a new commercial realism; the opening of a stock exchange in Shanghai, and the starting up of a venture-capital firm in Peking.

From a western viewpoint, these internal developments, however noteworthy, have not significantly improved the climate for doing business in China or with Chinese business organizations and collectives.

The costs to Westerners of operating in China, including the price of labour, housing, office space and such necessary items as telex communications - prices for which were increased by 50 per cent on October 1 - have skyrocketed. Under the terms of some joint-venture contracts, Chinese managers being trained by western firms in a Sino-foreign joint venture must be paid as much as their more experienced western counterparts.

Moreover, red tape continues to strangle Sino-foreign joint ventures, of which there are 2,645 equity joint ventures and 4,075 contractual joint ventures and 130 wholly owned foreign subsidiaries in the People's Republic.

or official stamps, each with two signatures from relevant government officials, are required before serious discussions can even begin.

Such problems reflect some of the weaknesses inherent in China's economy.

The economic growth rate, for example, poses a major challenge to Peking's central planners. In the first half of last year annual growth zoomed to 23 per cent, and China's foreign currency reserves melted from \$16 billion to \$10 billion as the country went on a foreign import-buying spree. As a result, the economy showed signs of quickly outstripping the existing infrastructure.

To regain control, the People's Bank of China, the central bank, tightened foreign exchange spending in 1985, imposed new restrictions on the creation of private enterprises and, later in the year, banned automobile and other consumer product imports for up to two years.

As if to make that policy publicly official, Zhao Ziyang, the Premier, announced at the beginning of this year that 1986 and 1987 would be two years of "consolidation" in China's economy.

Despite those eleven-hour measures, annual growth during China's last, or sixth, five-year plan averaged more than 10 per cent. The growth target in the current, or seventh, five-year plan, approved last March by the National People's Congress, is 7.2 per cent annually, a figure that Chinese authorities for years have believed is best for their country.

The guidelines for the seventh five-year plan state: "We must avoid trying to do everything at once with no sense of priorities. This is the only way to provide the strength needed for long-term economic development and create favourable conditions for further opening China to the rest of the world."

In the energy sector, China would like its annual output of electricity to reach 550 billion kWh by 1990. In addition,



FOCUS

The countryfolk with new-found enterprise



China is, above all, an agricultural nation. Eight hundred million of its citizens, of a total population of 1.2 billion, live in the countryside. The greatest successes of the Deogist modernization programme to date have been achieved in the rural areas of the People's Republic.

Under Peking's watchful eye peasants in recent years have developed light, rural industries to supplement their

regular income derived from growing crops for state quotas. Moreover, state quotas for staple crops such as grain, rice and sorghum have become more flexible, and can now sometimes be arranged by contract.

As a result there are 4.5 million rural enterprises employing 40 million people. In 1984 the combined revenues of these enterprises were valued at 171 billion renminbi (about £32 billion), equal to China's gross national product in 1964.

For a while at the beginning of the year agriculture looked as though it might become Deng Xiaoping's political Achilles' heel. Summer floods in the north-eastern provinces of Liaoning, Jilin and Heilongjiang, coupled with

droughts in Hubei, Hunan and Sichuan provinces, meant a lower harvest. Production fell by 27 million tonnes on 1984's record 407 million tonnes. That broke a string of seven bumper harvests that had made China not only self-sufficient but an exporter of grain.

As a result, Mr Deng's opponents, notably Chen Yun, 82, the party's disciplinarian and leading conservative, attacked the Deogist rural responsibility system, which in some cases has allowed peasants to drop wheat-planting for other jobs.

Throughout 1986 the central government in Peking has kept up a steady barrage of propaganda aimed at encouraging farmers to grow wheat. Not surprisingly, plans



Fruit of the vine: farmers picking grapes in Sijiqing township near Peking

to subsidize wheat farmers have received careful scrutiny. However, there are limits to what the central government will do for farmers in general and wheat growers in particular. The official English-language China Daily newspaper noted in April: "While the central government is responsible for assisting rural farm-

ing, its finances are limited. Rural areas have to work out ways to support their own economic activities, relying on profitable rural industries". A western diplomat said that this year's wheat crop will total about 400 million tonnes: "Because of the floods in the north-east, the harvest will be down about 12 million

tonnes in that region, and up just about everywhere else." Just how well the People's Republic is doing in agricultural production is difficult to determine. The main harvest seasons are June to July, and September to October. Agricultural statistics for one year are not generally available until late in the first

quarter of the following year. Many western experts say China is making progress in boosting its cotton and hemp production, and is doing well with soy beans. It also produces huge quantities of tobacco, though of an inferior quality, most of which goes into domestic cigarette production. In recent years livestock production has also shown signs of improvement as the country's grain picture has improved - though pigs are traditionally fed cooked vegetables.

Despite these successes, China faces some key problems in agriculture. For one thing, arable land is becoming a rare commodity. Only 45 per cent of China's total land mass is fit for agriculture, and more and more of it is being gobbled up by expanding towns and rural housing developments. Some sociologists in the West now say that, because of these growing urban areas, China's urban population constitutes one-fifth of the total, the rural population three-fifths, and a population that

"lives in the country but has urban consumerist aspirations", another fifth.

Another problem is lack of an agricultural marketing system. Processing, storage and transportation components of such a system remain extremely underdeveloped, according to some western observers. In southern China, for example, the developing livestock industry there is facing an acute shortage of feed, while Manchuria lacks the markets for the mountains of grain it produces annually.

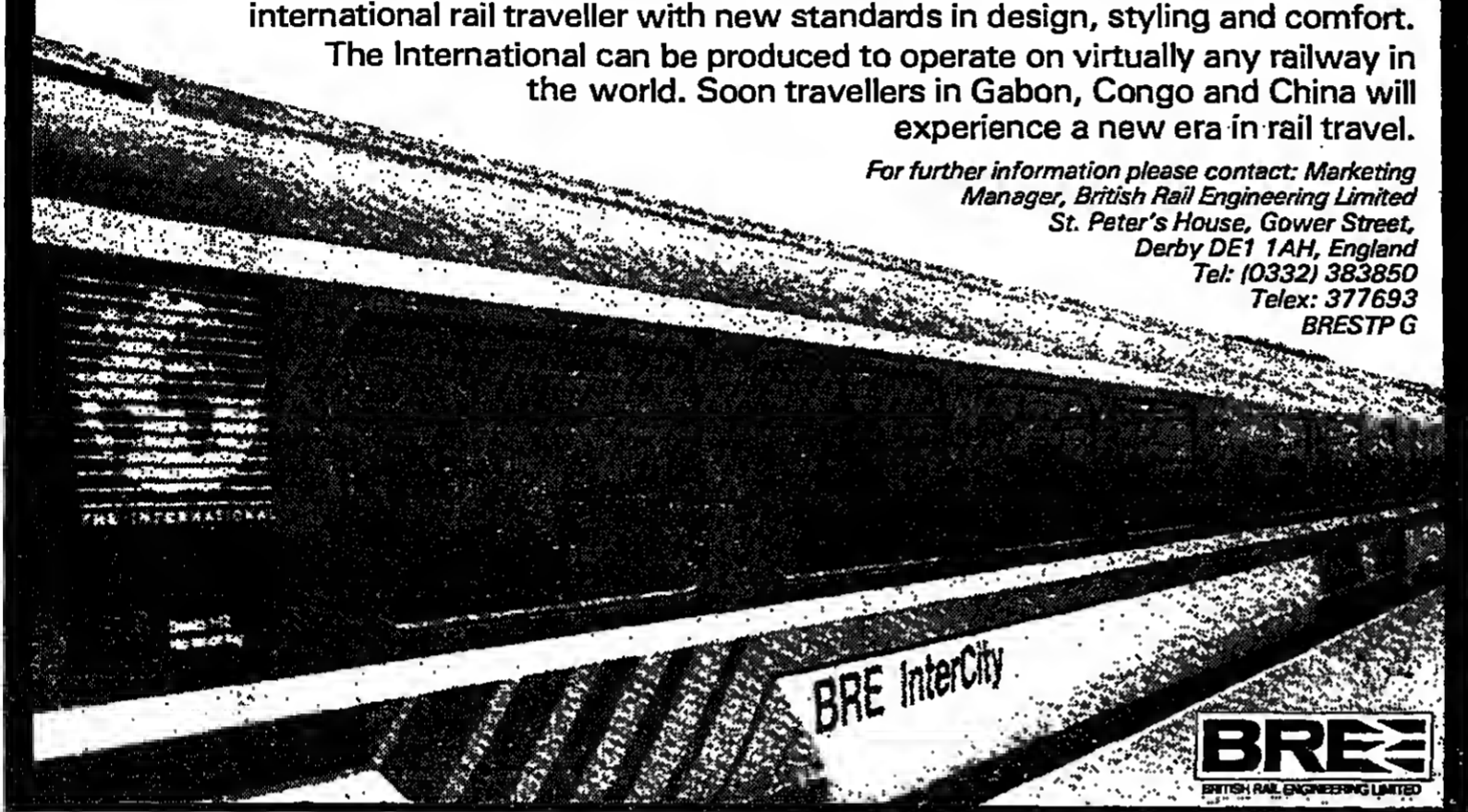
A final problem is lack of ingenuity. Medicinal herbs, better strains of tobacco, ornamental trees for export to other countries - western scientists and agro-economists say they see hundreds of possibilities for economic development while travelling through the rural areas, but that the local populations are resistant. "It's a problem of education that may be solved with the passage of time," one diplomat said.

RG

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The new economy that followed the disaster

From previous page coal production would increase to a billion tonnes by the same year, and a renovation and expansion of oil fields would boost crude-oil output to 150 million tonnes annually.

It is not certain that these goals can be achieved without opening up more onshore oil sites, offshore having proved a disaster in the past year. Overall energy conservation, according to the seventh five-year plan, should save 100 million tonnes of standard coal between 1986 and 1990.

Peking would like to increase the total volume of freight carried by rail, road, water and air transport by 30 per cent in 1990. The country now has 52,000 km (32,500 miles) of railways, 926,000 km (578,750 miles) of roads, 109,000 km (68,125 miles) of inland river routes, 256,000 km (160,000 miles) of air routes and 11,000 km (6,875 miles) of pipelines.

Upgrading and expanding those networks translates into new construction and new equipment procurement, which means potentially huge markets for foreign firms.

China's railway system is in terrible shape. It carries 80 per cent of the country's freight

and is being asked to do much more. Two years ago, according to one rail-equipment sales trader, China reported a shortage of 35,000 railway wagons a day, which meant that 100,000 were needed but only 65,000 were available.

The railways ministry recently reported that in 1984 10 million tonnes of coal, stranded at various loading points along the rail lines,

Main ports are to expand

never reached their destinations. Because of the poor coal-distribution system, householders in Peking are now borrowing friends' trucks to drive out of town to buy coal and transport it back to their homes for use this winter.

China's main ports are also destined for expansion. Li Peng, a vice premier, has announced that all transport departments, other than rail and telecommunications, should separate their business from government functions.

As a first step the central government has put the administration of Shanghai and Dalian harbours into the hands of local authorities.

During the next five years, China plans to build more than 200 new berths at major east coast ports. One hundred and four of the new berths will accommodate more than 10,000 tonne-class freighters.

By the end of 1990, China hopes to have 1,200 berths, including 321 for deep-water vessels, with a total handling capacity of 550 million tonnes, compared to 330 million tonnes last year. Such measures would undoubtedly help reduce China's international trade deficit, estimated to be \$6 billion, but forecast to go to \$14 billion by the end of the year.

Still, the best-laid plans of bureaucrats in Peking can be successful only if the rest of the country falls in behind them. The planners are holding their collective breath to see how 1986 shapes up for the Chinese economy.

A western diplomat in Peking observed: "The planners have put their finger on what is happening in China's economy and what needs to be done. Now it is up to the officials in the provinces to make sure the plan is properly executed."

Robert Grieses.

Midland in China



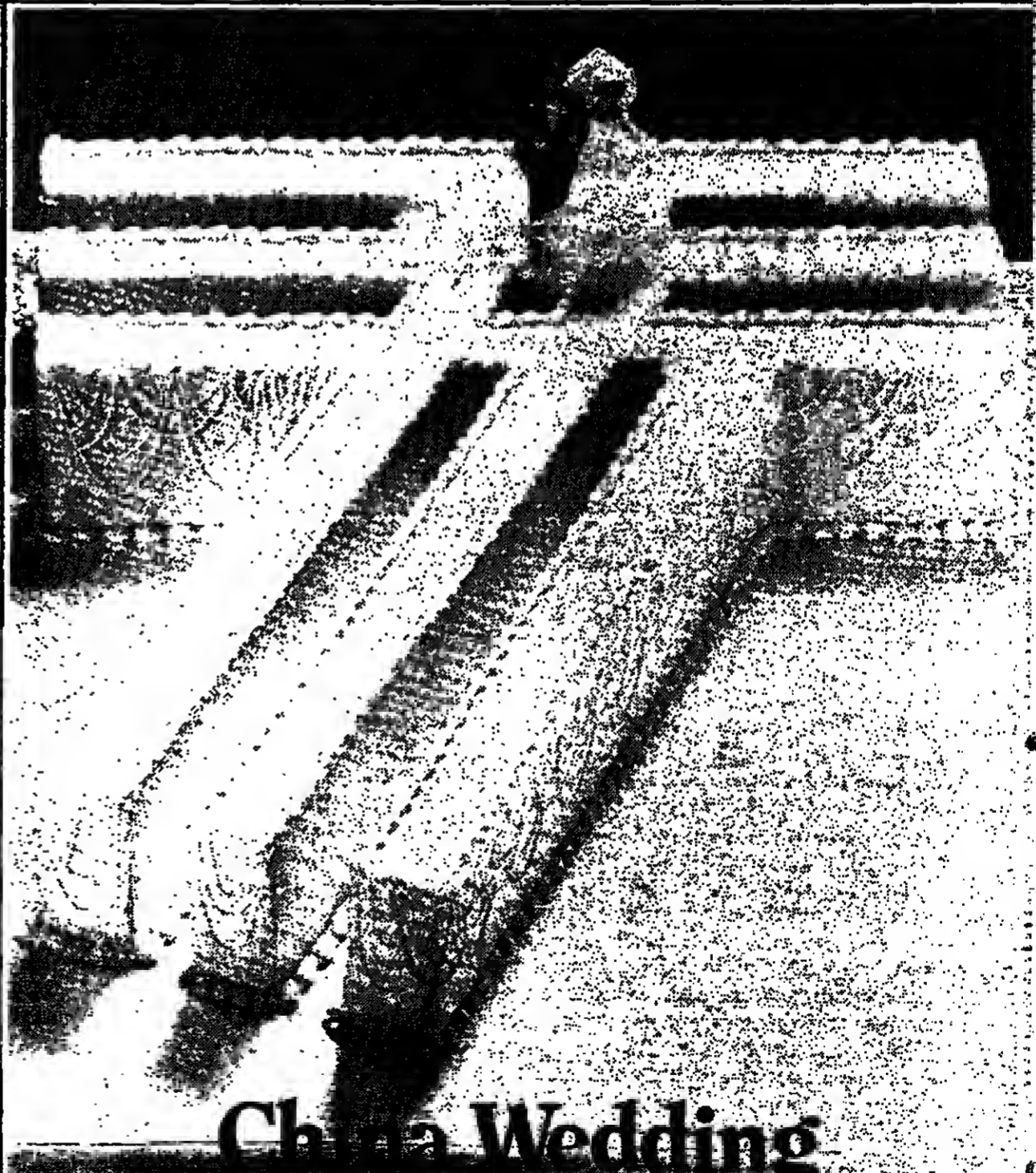
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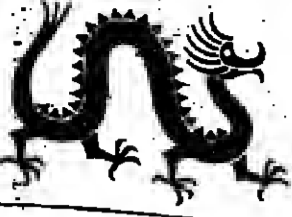
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FOCUS

CHINA/4

A new people's hero for the 1980s



credit and introducing taxes to shrink expansion and profit margins.

In the first eight months, industrial growth slowed even more, to a 5.7 per cent (rmb 574.26 billion) increase with a near 50-50 split between heavy and light industry.

China's economic plan for 1986 calls for 8 per cent industrial growth, with heavy industry accounting for seven per cent and light industry, nine per cent.

Price reform by official reckoning is quite rightly the linchpin for setting industry straight. Prices of some key raw materials kept artificially low through state subsidies were allowed to float within set limits this year.

For example, cement prices were allowed to rise by 60 per cent to reflect real production costs, some steel products by 14 per cent and non-ferrous metals by 3 to 5 per cent.

However, these goods remain scarce. According to a Peking-based newspaper, Communist News, cement production may increase by 6.3 per cent in the next five years but demand will soar by 19.7 per cent.

The result is a thriving blackmarket in cement, stockpiling for bartering purposes and outright fraud.

So far, price reform has been primarily a one-way street because factory managers are not allowed to raise the prices of their products to



Qj Jia Mei at work in Shanghai's Garment Research Institute. A more commercial outlook by management has meant many changes to her job

absorb the increase in material goods and, as such, quality suffers.

The State Statistical Bureau (SSB) reported last August that while output of light consumer goods increased upwards of 55 per cent, their sales rose less than 10 per cent, resulting in huge stockpiles because consumers were unwilling to spend money on shoddy goods.

Complaints about quality abound from China's trade

partners, which is especially unfortunate for a country seeking to create an export-oriented economy to earn badly needed foreign exchange.

Acute energy shortages are taking their toll. Official estimates say that 20 per cent of factories on the highly industrialized east coast are out of commission at any one time.

Transport bottlenecks leave goods in warehouses, and poor packaging, according to the China Daily, has resulted

in hundreds of millions of pounds' worth of damage.

The Economic Daily, China's leading financial newspaper, reported that state-run enterprises, which account for 64.4 per cent of industrial output, lost rmb 2.6 billion in 1985.

By the end of August this year, the paper reported, 17.6 per cent of the enterprises were in the red but it gave no further figures. Another journal, the Peking Review, says the government spent rmb 48

billion or 20 per cent of state revenues on subsidies to state firms losing money in 1985.

To make enterprises more accountable for their losses, the nation's first-ever bankruptcy legislation was introduced last summer but, after reportedly intense internal debate, was scuttled in September.

Perhaps the trickiest problem in rejigging the industrial structure is restraining the Communist Party from meddling. Industrial concerns in China have a manager and a party secretary, who have traditionally shared all decision-making.

Now the plan says the party secretary must stay out of administration and tend to workers' ideological welfare, letting the manager get on with administration. Chinese newspaper accounts indicate there has been bitter resistance, and even skulduggery, by party bosses trying to keep their power.

One factory manager of a relatively successful manufacturing concern interviewed in 1985 was asked about his relationship with the party secretary. He said there was no resistance and that cooperation was excellent. The key to his success was made evident by his admission that he was also the factory's party secretary.

Nancy Langston

Trading boom, despite the difficulties

directly to China and a further HK\$936 million (about £84 million) through Hong Kong. However, the combined total still left it behind its main EEC partners, West Germany, Italy and France.

In the first seven months of 1986, British direct exports shot up to £327 million, an increase of 38.5 per cent over the same period in 1985. If the trend continues, British direct sales should top £500 million for the whole of 1986.

Looking ahead, British Aerospace is due to deliver the remaining nine of 10 BAe-146 jetliners this year and next and GEC is expecting orders of £250 million for the Daya Bay nuclear-power plant across the border from Hong Kong's 'border-free' zone.

Contract for which was signed last month.

In May, Britain and China signed a £300 million soft-loan agreement intended initially to finance five big projects for which British companies are bidding.

These are a power station at Yueyang, Hunan province (Balfour Beatty and NEI), an optical fibre factory in Shanghai (Standard Telephones and Cables), a steel tube mill at Daye, Hubei (Davy McKee), a fuel injection line for a tractor plant at Luoyang, Henan (Lecas CAV) and two shallow-draught container vessels for the Ocean Shipping Line (British Shipbuilders).

Looking further ahead, Davy McKee is part of a British and West German consortium hoping to equip a US\$3 to \$4 billion integrated steelworks at Ningbo,

Zhejiang. The consortium has been put together by Sir Y.K. Pao, the Hong Kong shipping magnate.

However, success in all these projects depends on getting the price right. With the Yueyang power project, for example, it has been noted that the Chinese corporation charged with procuring generating equipment from abroad has been acquiring it from Japanese and American/Canadian/Italian suppliers at what British companies consider giveaway rates.

Chinese unwillingness to compromise over prices makes it hard for foreign companies to show big profits in China. In addition, it is an expensive country in terms of running costs and of time.

It is estimated that it costs between £250,000 and £300,000 a year to keep a representative in Peking, and reaching decisions takes longer than in the West because of translation problems and the need to explain basic financial and technical matters to the Chinese.

Because it is short of foreign exchange, China is keen to promote joint ventures, but these have not proved attractive to foreign investors.

Among British companies involved in joint ventures is Pilkington, which is setting up a flat-glass plant in Shanghai. Delays last year in getting cement and steel have put back the start of production by eight months, to September 1987. The factory will produce 5,000 tonnes of glass a week.

Another way for the Chinese to save foreign exchange is through counter-trade. The Ministry of Foreign Economic Relations and Trade has set up a counter-trade section and companies are likely to face more demands for it from their Chinese partners.

One area in which the British are internationally strong but have yet to do much in China is consultancy.

Ricardo Consulting, Engineers of Shoreham-by-Sea, West Sussex, first went to China in 1977, just after the Cultural Revolution, and has since won contracts to design engines for lorries, cars, tractors, ships and locomotives.

Business over the last nine years has been worth between £4 million and £5 million, not a huge sum, but Ricardo considers China of long-term importance.

Simon Scott Plummer

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Centre to contribute to Long Term Relations Between China and Britain

Sino-British J.V. to Build Business and Cultural City in London Docklands

Work is due to start in early 1987 on a £120 million Sino-British Joint Venture to build a China Trade and Cultural City in London's Docklands.

The jointly financed Anglo-Chinese deal which Lord Wilson of Rievaulx, (the former Prime Minister and now ICE Group Plc Director), played a vital role in setting up, will contribute to the long term interest of and better relations between Britain and China according to Zhang Zhao Ruo, Deputy Sec. General of the Tianjin Municipal People's Government. It will be built in the area of Britain's first Chinese community in London Docklands.

The scheme represents in excess of 2,500 entirely

new jobs for Great Britain. It is no less significant that these will include a majority of unskilled or semi-skilled jobs much needed in the Docklands area.

The China Europe Trade Centre has been created through consultation with Chinese and western planners to simplify and encourage east-west trade. Some 500 leading Chinese exporters and importers will occupy 200 showrooms and 1000 display booths in the business exchange which will also house airlines and banks. A magnificent exhibition complex will allow decision makers to meet and mingle at any of 12 trade shows to be held annually. The location only 2 1/2 miles from the revolution-



ary Stolport (short take off and landing) airport link with Europe will place the centre at the hub of western business. For Chinese exporters and buyers it creates a vital base; a much needed showcase onto the West and Chinese window to the world. The site will also include a sports centre for martial

arts, a medical centre, a 4-star 200 room hotel, 120 apartment units, a Chinese street of individual shops, a cultural centre, residential units, a Chinese 'Harrods style' department store. The centre has made provision for parking for 1,000 cars. Many of the buildings will be decorated with traditional Chinese designs and built using materials imported from China.

Work started in 1983. The Scheme's backers, the British ICE Group and the Tianjin Municipal People's Government initially discussed the idea in 1983 and after several trips to China a preliminary study was prepared by ICE for Tianjin. It was not until July of 1984 that a

preliminary j/v agreement was signed between ICE Group and the China Council for the Promotion of Int'l Trade, and Tianjin Trust & Investment Corp., giving the go ahead to look for a site in either France, Britain or Germany.

In May of 1985 a 10-man delegation of Investment Bankers headed by Lord Wilson of Rievaulx visited Beijing, Shanghai, Tianjin and Shenzhen. Meetings with Premier Zhao Ziyang, leading Ministers and the Mayors of Tianjin, Shenzhen and Beijing were conducted to seek support for selecting Britain as the site for China's first European centre and an ICE Group j/v activities. In November 1985 the



Left: ICE Group Director Lord Wilson meets Mayor Li Rui Huan of Tianjin

Above: Zhang Zhao Ruo, Dep. Sec. Gen. of Tianjin Municipal People's Government.

Municipal Govt of Tianjin fully supported the idea and approved a 6-man Chinese delegation headed by Mr Zhang Zhao Ruo, Deputy Secretary General of Tianjin Municipal People's Govt. to visit London, Paris and Frankfurt. After the delegation visited all three cities and had met Mr Leon Britton, the then Sec. of State for Trade and Industry, and Dockland officials they supported Lord Wilson and ICE's recommendation to Tianjin that the site offered by the London Docklands should be selected.

The presentation of the scheme on 8 September 1986 to the London Docklands Development Corp. was warmly received and accordingly the LDDC have withheld the land from the market, and lawyers have been instructed on both sides to prepare the development agreement. LDDC executives will be submitting the entire scheme to their Board during the first week of November. Funding for the above project will come from Tianjin, ICE Group Plc., a consortium of Banks, and other investors.

According to ICE Group Executives, the achievements of the past years in obtaining this important development for Britain would not have been possible without the guidance of Sir Richard Evans, British Ambassador in Beijing, Mr. Cai Fengshan, at the Chinese Embassy in London, the Rt Hon Mrs Margaret Thatcher, MP, Lord Young of Swaffham and Nicholas Ridley MP, and of course Mr. Reg Ward, exec. Dir. of the L.D.D.C. and his team at the L.D.D.C.

Since its inception Ice Group has built a solid foundation through the accumulated experience of its management in the field of technology transfer and trade show management with the People's Republic of China.

ICE Group were the first to hold private joint venture exhibitions in Beijing in 1982 and these were followed by China Projects exhibitions in Tianjin, Shanghai and Guangzhou (Canton). Since the signing of joint venture agreements in 1984 and 1985 the Group has promoted some of China's largest trade fairs in Aviation, Packaging, Mass Transport, Electronics and Energy.

While other major companies hedged their bets by covering all of China, ICE Group feels that being the No. 1 British company in Tianjin is better than be-

ing no. 200 in China. ICE Group stresses that Tianjin is China's third largest city and certainly the most ambitious.

ICE Group enjoys the full support of China Council for the Promotion of International Trade (Tianjin Sub-Council), the Mayor of Tianjin, Mr. Li Ruihuan, and Mr Zhang Zhao Ruo, Deputy Sec. of Tianjin Municipal People's Govt. and the Tianjin Int'l Trust & Investment Corp.

Firm & Profitable With the minimum of fuss and absolutely no publicity ICE Group has completed a remarkable package of deals in China that are already transforming this little known London company into a major int'l concern.

Completed in 1982 a j/v to jointly manage all the trade fairs in Tianjin sponsored by China Council of Int'l Trade - Tianjin

Sub Council.

Reached an agreement in 1982 to establish a \$22 million trade centre and hotel complex in Tianjin expected to be completed in early 1987. ICE Group is a 50% partner.

Chinese appointed ICE Group to help them establish their own trade centres in the UK, Germany and the USA. ICE Group is a 50% partner in the £120M Sino-British j/v to be built in London Docklands. A similar centre is planned for USA with negotiations for a site in Los Angeles in progress.

Reached agreement for launching of a technology & business magazine 'China Trade' for launching in early 1987.

Acquired 45% interest in Beijing Tours which organises trips for trade groups in China. Over 3,000 booked by them for China last year alone.

ICE - Britain's Success Story in China

First British Engineering J.V. in Tianjin through its 51% interest in China Engineering Industries Ltd presently manufacturing worm-drive hoseclips in Tianjin. Partners in the venture include Bank of China & Tianjin Int'l Trust & Investment Corp.

A 25% interest in Tianjin Mmt Services Corp - a j/v with Tianjin University & Tianjin Advanced Technology Dev. Corp.

A 25% interest in Tianjin Eletrak Corp

which will mtg the revolutionary 'electrak wiring system' a unique alternative to the 2 and 3 pin plug.

Through its 50% interest in ICE-France China a j/v between ICE Group and Baron Empain (one of Europe's leading industrialists), ICE France has signed preliminary agreements for a bauxite refining plant, loudspeaker assembly plant, amphibious vehicle plant development of satellite broadcasting and the

establishment of China's first int'l ski resort. The ICE Group which entered China with modest goals has since seen its growth dramatically increased without a corresponding increase in costs of doing business, through increased reliance upon joint-venture undertakings. With no debt on its books at present the long-term profit picture looks very promising: from a £170,000 loss in 1981 to a break-even in 1982, profits soared from

£63,000 in 1983 to £121,000 in 1984 and £1,000,000 in 1985. ICE Group's assets have increased from £41,000 in 1983 to in excess of £4,000,000. The average number of employees of the whole Group has grown from 3 in 1982, to over 250 in 1985. With the launching of ICE Group's Trade Centre Hotel Complex in Tianjin and London Docklands China Trade Centre ICE Group should be able to project a dramatic geometric growth in profits as projects come on stream. ICE Group's secret - impeccable planning by its management team whose

sales strategy involves close liaison and coordination: often silently planning for months, then executing its plans in a matter of days. In this way they have dazzled their competitors and detractors and the trade in general. Shashoua's unpredictability sometimes causes concern among ICE competitors, but is also proving to be ICE's greatest asset, which is explained by ICE with a quote from Tyren Edwards "Consistency to truth and principle may sometimes lead to what the world calls inconsistency in conduct".

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CHINA/5

**FOCUS**



**Teachers**  
**wanted**  
**by the**  
**million**

A dilapidated educational system constitutes the biggest obstacle to harnessing China's most valuable resource - its people.

The Communist government has made some progress in education since it came to power in 1949, when there was an 80 per cent illiteracy rate. That has now been reduced to around 25 per cent and, according to government figures, 90 per cent of school-age children are now in school.

Educational reforms adopted earlier this year included the abolition of middle school entrance exams, thus allowing primary school children to enter middle school automatically, space permitting. The goal is to have at least nine, rather than five, years of education for children by the end of the century.



Eyes on the blackboard: taking notes during a chemistry lesson in a Peking middle school

Like China's reforms in other sectors, the educational ones show that the government's heart is in the right place but after that it is back to square one: how to remedy shortages of teachers and educational facilities, including the most basic one - classrooms. Some major cities are facing a possible half-day class schedule because of lack of space.

Money helps. The new five-year (1986-1990) plan calls for a 72 per cent increase in educational funds - to 116.6 billion renminbi (about £22 billion) - over the previous five-year period. Through a substantial improvement, it makes only a dent in the task of shoring up an educational system which came to a halt when schools were closed for the better part of the Cultural

Revolution, leaving a generation without approval from educational departments above county level. Meanwhile, higher education is catching up fast. The number of graduates is expected to increase by more than 10 per cent to 308,000 this year. However, according to Xinhua news agency last March, employers need 700,000, more than double the number available. Recognizing that China's universities would fall short of meeting demand for some time to come, the government began allowing studies overseas, especially in the sciences, in 1978. The State Education Commission announced last May that since 1978, nearly 40,000 Chinese have been abroad to study.

The question is whether they are coming back. Last January, when the number of overseas students was 37,000, Chinese statistics showed only 15,000 returning. One reason that deters the most patriotic Chinese academic from returning home is the woefully inadequate research facilities and the dim future for additional funding.

**Forget cabs, get on your bike**

China is reaching a plateau in its efforts to attract foreign tourists. The mystique of a country which had shut the door on the West for a generation is evaporating as it becomes better known and the Chinese will have to improve the service they offer the visitor if they are to meet their ambitious targets for growth.

These envisage three million foreign, that is, non-ethnic Chinese, tourists by 1990 and between seven and eight million by the year 2000. The figure for 1985 was 1.37 million, which means that the numbers must more than double both over the next four

years and in the succeeding decade.

Annual growth between 1980 and 1985 averaged just over 21 per cent and it was presumably on the basis of this performance that the goals were set. However, in the first seven months of this year the rate fell drastically.

Whereas the overall increase from 1984 to 1985 was 20.8 per cent, that for January to July 1986 was only 7.1 per cent higher than that for the same period last year.

The fall was most marked for Japan, which supplied more than a third of China's foreign tourists in 1985: from

27.8 per cent to 3 per cent.

The United States, the second largest source of overseas visitors, showed an increase from 12.8 per cent in 1985 to 18.9 per cent for January to July this year, but the number of Australians dropped by 9.3 per cent, compared to a 7.5 per cent growth in 1985.

The number of Britons slowed to a 10.8 per cent rise, against 14.7 per cent last year, when the total number of British visitors was 71,332.

The first reaction of tourist officials in Peking is to ascribe these fluctuations to external factors, such as the general election in Japan in July and

the currency devaluation in Australia. But they are also aware of serious impediments to growth at home.

These are inadequate means of transport, particularly by air, shortage of accommodation, notably in Peking, Shanghai, Xi'an and Guilin, and lack of qualified personnel such as hotel managers and guides.

The Chinese are tackling the first of these problems by expanding airports and buying more aircraft, including 10 BAe-146 jetliners from Britain.

As for accommodation, the new five-year plan (1986-1990) provides for the addition of 61,700 hotel beds. In Peking alone, 80 hotels for foreign tourists are to be built in the next five to six years. There is also a demand for medium-priced hotels - 100-130 yuan (£19-£24) a night - to meet a trend to individual, as opposed to group, travel.

To train personnel, China has foreign language institutes, tourism colleges and vocational schools, and tourism facilities in universities. Trainees are also sent to Switzerland to study hotel management and to the United States to acquire marketing skills.

During the period of the current plan, seven main tourist areas will receive priority. These are Peking, Shanghai, Xi'an, Guilin, Hangzhou, Jiangsu province, which includes Nanjing, Yangzhou, Suzhou and Zhenjiang, and Canton and Hainan.

Fourteen other areas have been designated as of secondary importance, among them Lhasa, the Yangtze Gorges and the Silk Road, which runs from Xi'an into Xinjiang.

A Western resident in Peking said tourism in China had tremendous potential but the Chinese were taking too short-term a view of the industry, milking foreign visitors for all they were worth without stopping to think that this might discourage them from coming again or recommending the country to their friends.

From a trip to Peking and along part of the Silk Road last month, I would readily agree about the potential: the Forbidden City, the Ming tombs, the Great Wall, the pagodas and ramparts of Xi'an, the fort at Jiyuguan and the Buddhist caves at Dunhuang are great and enduring attractions. However, certain things need to be rectified if that potential is to be realized.

First, too many hotels are in the suburbs, so the tourist is isolated and unable to stroll out and enjoy the fascinating street life of the city centres. Second, in the rush to earn foreign currency new hotels are taking guests before they are ready for them: the Oasis in Turpan was surrounded by builder's rubble and open manholes, and the bathroom was covered in tar.

In Peking, it is absurdly difficult to get a taxi; never have I seen so many drivers unwilling to take passengers. As is the case in other capital cities, hotel and restaurant staff tend to be ruder and guides less enthusiastic than in the provinces.

Even sadder is the apparent fall in the standard of Peking cuisine. In the Tingliuan restaurant at the Summer Palace, for example, the tablecloth was filthy, beer was served in a bottle with a broken neck and the food was stale and lukewarm.

As well as developing their main tourist centres, the Chinese should follow the example of India and increase the choice of specialist tours.

And finally, in Peking, encourage everyone to hire bicycles, a perfect way of exploring a city which is remarkably flat and where the bicycle rent per day is a mere two yuan.

FOREIGN TOURISTS IN CHINA (1985)

	Number	% of total	% change over 1984
Total	1,370,462	100.0	20.8
Japan	470,492	34.3	27.8
United States	239,557	17.5	12.8
Australia	78,195	5.7	7.5
Britain	71,332	5.2	14.7
West Germany	43,062	3.1	25.7
France	38,950	2.8	44.2

CITIES MOST VISITED BY FOREIGN TOURISTS (1985)

Peking	739,648
Canton	527,823
Shanghai	489,360
Guilin	249,895
Xi'an	190,836
Hangzhou	158,311
Suzhou	152,761

Source: National Tourism Administration, Peking

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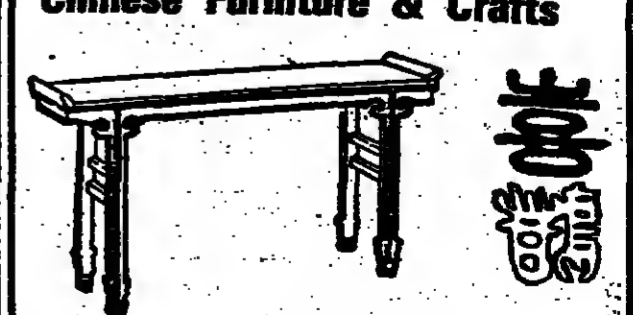
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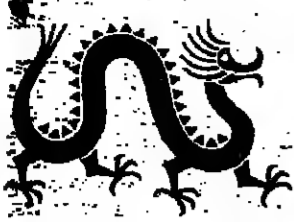
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FOCUS

CHINA/6



Flower people in the big city

What might share certificates have in common with fresh flowers, instant coffee and a collection of old envelopes? All were among pointers to the lifestyle of young workers in Shanghai as listed by the People's Daily last month.

China's biggest city has opened the country's first stock exchange and faces the queues for shares are almost entirely young. Plastic flowers are passé. The western custom of sending cut flowers, until now seen as bourgeois and wasteful, has been adopted in a big way. A bunch may cost more than 10 yuan (1.86), one-seventh of a basic monthly salary, but shops sell out daily.

Smart young people serve instant coffee rather than tea to friends, hang original paintings on the walls of their flat, and collect curios, from old envelopes to fancy invitation cards. Girls are wearing men's trousers and shirts, while the trendy male perms his long hair.

Youth is being elevated to a new status in the birthplace of Confucius, where, by 2,500 years of tradition, age has commanded respect. The 1980s emphasis on young leadership in management, the armed forces and party is invalidating the adage that "the old don't die, the young don't rise".

Half of China's one billion people are under 30. New economic policies and the opening to the West are radically altering the outlook, image and expectations of Chinese youth.

"Ten years of Cultural Revolution left an emotional and ideological vacuum," says a 40-year-old university lecturer. "Unwavering belief in



Chairman Mao ended in disillusion.

"The open-door policy gave us a glimpse of an outside world that seemed to glitter with wealth and advanced technology. We were shocked by the poverty and backwardness of China. Brought up to 'serve the people', now we wanted a say over our own lives.

"We were desperate for new ideas and styles of living; anything that represented a departure from tradition."

Where Mao's children had chaotised, "Thanks to the Party we have New China. Thanks to New China there is me", students in Deng's era began to discuss Freud and Sartre and sex to a self-centred world.

The first attempt at free speech died in 1979 with the jailing of Wei Ching Shen, editor of Exploration, the Democracy Wall Movement's magazine. That sealed the

indifference to politics of the post-Cultural Revolution generation.

Economic reform awakened hopes, but patriotism rather than socialist ideals is behind a resurgence of interest in party membership and the power it confers.

Members of the "Lost Generation", who missed out on adolescence and educational opportunity to the "10 years of struggle", are sometimes jealous of the under-25s having a good time.

Students dream of brilliant careers and a chance to go abroad. Foreign travel is not so the young workers' horizon yet, but their bonuses can earn them much more than intellectuals. They want to spend and show off.

A Japanese video has succeeded the colour television set as status symbol. Beyond firecrackers or a feast for friends, leisure and enjoyment

French chic in the Chinese capital: doorboy outside Maxim's restaurant in Peking, which was opened by Pierre Cardin in 1983 as a branch of the famous Paris restaurant

are not a developed aspect of Chinese culture.

Principally from TV and cinema screen, young Chinese are mimicking western youth. Bicycles are for work, a taxi is for pleasure. Foreign-made jeans are smart, likewise Marlboro or 555 cigarettes, discos and restaurants that serve tomato soup, buttered bread and schnitzel.

Girls visit a beauty parlour before going out, and it is not "pearl dust" lotion but vitamin-enriched creams that go on their cheeks. The birth pill is not publicly available to single women, but the taboo on premarital sex is now widely ignored. Before the New Year holiday, when all work units hand out contraceptives in quantity, wives pass them on to unmarried friends.

Clint Eastwood starred in a recent survey which sketched the ideal man for 500 young women in a Guangzhou (Canton) electronics factory. They arrived at a male figure more than 1.8 metres tall, of thoughtful aspect, and unshaven appearance, like George Michael, the Wham rockstar who played in Peking.

The ideal man's personality required passion, self-knowledge so that he could correct his weaknesses and, oddly, the potential to kill. Rambo drew vast cinema audiences in China.

In the countryside, change is taking place within the context of the family. Li Zamei, a carpenter's daughter, was 16 when the new economic policies were introduced. She specialised in fish farming. Running her own business, she succeeded so well that the family made her head of the household.

Eligibility for marriage used to be categorized chiefly by family and political background. When she weds, Li's criteria are more likely to be personality and job prospects. The young can earn more than their elders, and this is strengthening determination to choose partners in defiance of parental matchmaking.

Yonit and Alastair Percival

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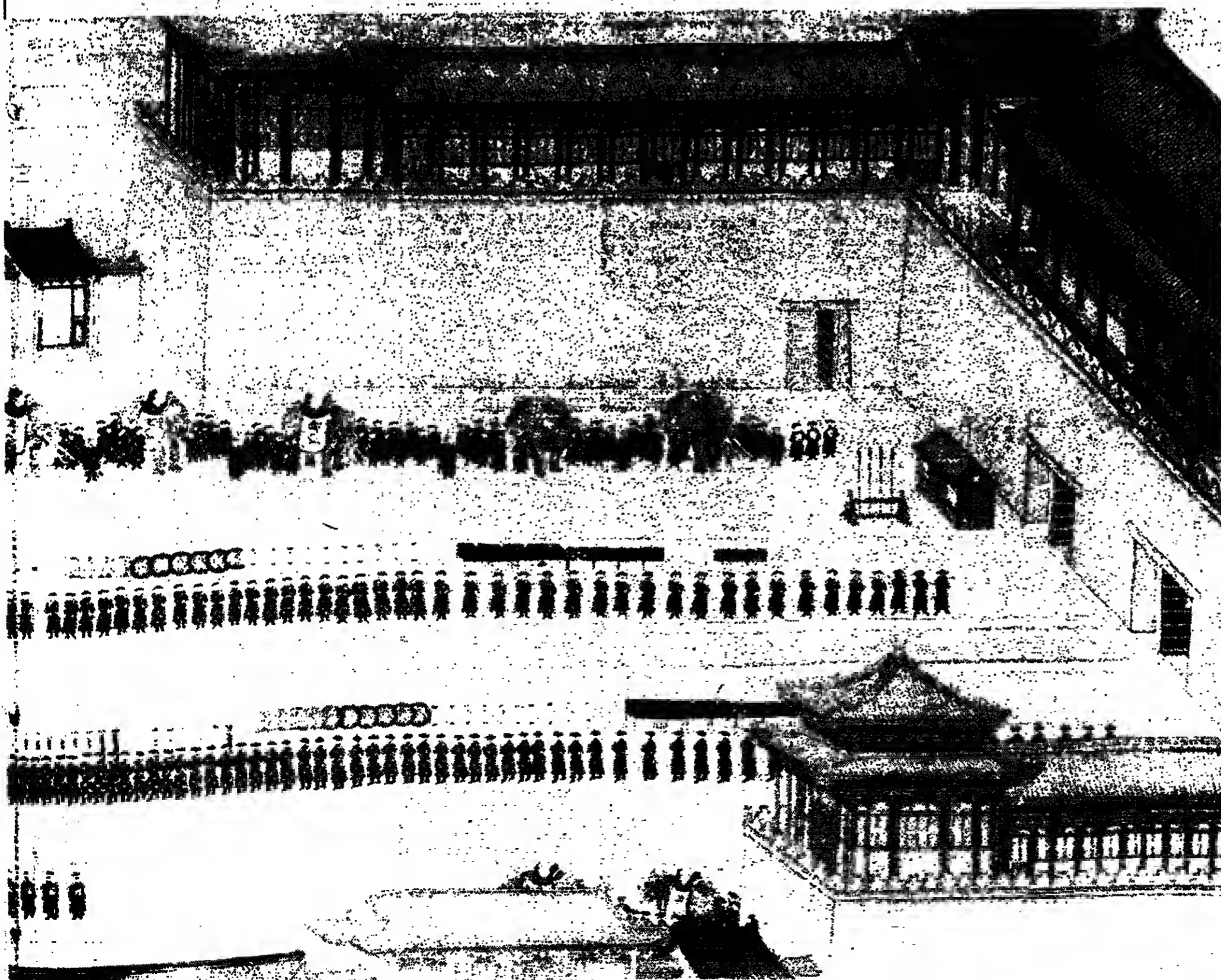
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BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM

May we all have all our family hearts set on our loved ones who have passed on to a better life.

BIRTHS

ALLEN - On 3rd October, to Loraine Rose and Christopher, a son, Trevor David.

ALLEN - On September 26th, to Mrs. M. Allen, to Carry Lee, a daughter, and a son, Charles Edward.

BEATT - On 7th September, in Dublin, to Karen Jane (Gwen) and Keith, a son, James Tins.

BURTON - On 29th September, at St. Luke's Hospital, Guildford, to Nicola Jane (Raymond) and Paul, a daughter, Jessica Lucy.

COLLIER - On 28th September, to Jill Kelly, a daughter, and a son, Alexander.

COLETT - On September 12th, at St. George's Hospital, Tooting, to Alexander, a son, and a daughter, Rebecca.

CRITCHTON - On October 3rd, in Hong Kong, to Margaret (née Pollock) and David, a daughter, and a son, Thomas.

DEAN - On 7th October 1986, to Brian and Margaret, a daughter, and a son, Thomas.

DOWNIE - On 4th October 1986, to Mrs. D. Downie, a daughter, and a son, Thomas.

ELGOS - On 2nd October, to Anne (née Dattochi) and Guy, a daughter, and a son, Thomas.

FLYNN - On 7th October, to Beverley (née O'Sullivan) and Stephen, a son, and a daughter, Rebecca.

HARMAN - On October 6th, at Bedford (née Murray) and Michael, a daughter, and a son, Thomas.

KING - On October 7th, at the Whittington Hospital, to Judith (née Burrows) and a daughter, and a son, Thomas.

MCALPIN - On October 2nd, to Patricia (née Collins) and John, a daughter, and a son, Thomas.

MENEGAZZI - On 8th October, at the Franco-British Hospital, Paris, to a daughter, and a son, Thomas.

NALL - On 9th October, at Ashley-de-la-Rue Hospital, to Caroline (née Alexander) and a daughter, and a son, Thomas.

PANOS - On October 5th, in Madrid, to a daughter, and a son, Thomas.

SMITH - On October 7th 1986, at Exmouth, to Margaret (née Jones) and a daughter, and a son, Thomas.

SMITH - On October 7th 1986, at Exmouth, to Margaret (née Jones) and a daughter, and a son, Thomas.

WEST - On 26th September 1986, at the St. Albans Hospital, to a daughter, and a son, Thomas.

MARRIAGES

DEWBY - On October 6th, the marriage of Miss D. Dewby and Mr. D. Dewby, at St. Paul's Church, London.

GOULD - On September 1986, the marriage of Miss G. Gould and Mr. G. Gould, at St. Paul's Church, London.

MASH - On October 6th, the marriage of Miss M. Mash and Mr. M. Mash, at St. Paul's Church, London.

BRADFOR - On October 7th, at the Methodist Church, to a daughter, and a son, Thomas.

BREWSTER - On October 8th, at the Methodist Church, to a daughter, and a son, Thomas.

BYASS - On 8th October 1986, at the Methodist Church, to a daughter, and a son, Thomas.

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# Last tribute for courageous PC Olds



Final parade for a hero: The cortege outside St Andrew's Church, Harrow, yesterday.

More than 400 people packed a funeral service yesterday to pay tribute to the courage and inspiration of PC Philip Olds, cut down in the prime of his life by a robber's bullet six years.

High-ranking officers and new recruits stood to attention at St Andrew's Church, Harrow, as the coffin was carried past a guard of honour, his treasured Queen's Gallantry Medal on a velvet cushion on the lid with his cap.

His friend and senior officer, Chief Supt Bernard Luckhurst, spoke of those officers PC Olds had trained at the Peel Centre and said: "What better example could they have had?"

There was praise as well for the courage of the woman he wanted to marry, Police Sergeant Vanessa Perkins.

PC Olds, aged 34, who was paralysed in the shooting, died nine days ago. The cause of death has not been released.

PC Olds, who lived in a bungalow in Harrow, had had to come to terms with life in a wheelchair. His struggles were a source of inspiration to thousands of other disabled.

Other mourners inspired by the young policeman's frankness and bravery included Skip Beule, a US police officer

who met him in Dryton, Ohio, and Nick Young, also paralysed from the chest down, who this year took his first steps in the walking brace which PC Olds made famous.

Chief Supt Luckhurst spoke of his commendation for bravery and how he fulfilled his dream of becoming a police motorcyclist. Earlier, six motor cycle riders had escorted the coffin to the church.

Chief Supt Luckhurst said: "His true courage was not solely to be found during the fleeting moments of those earlier deeds. Rather, it was to be discovered during those last six years when he suffered almost constant pain.

Miss Perkins stood on the steps of the church outside after the service and appeared to fight back tears as the Metropolitan Police Commissioner, Sir Kenneth Newman, offered words of comfort to PC Olds's mother, Mrs Audrey Hillier.

Mrs Hillier has been quoted as saying her son was killed by the robber who shot him: "It just took six years."

"Sir John Mills, the actor, and his wife, who met PC Olds at a charity presentation, also attended. "He was one of those people who feel you have known all your life."



Miss Vanessa Perkins leaving the church. (Photographs: Chris Harris and Leslie Lee)

## Reagan in hopeful mood

Continued from page 1

"They are our inspiration; we are their hope," he said.

Administration officials have often expressed the hope that it would be possible for a Reagan-Gorbachev summit before the end of this year.

As the President left, he faced a last-minute battle with Congress on budget resolutions.

REYKJAVIK: Mr Nicholas Daniloff, the American correspondent whose controversial arrest and expulsion from Moscow provided the catalyst for this weekend's summit, is due to arrive in Reykjavik later today to report on its outcome for his magazine, *US News & World Report*, and *Newsweek*.

Mr Nikolai Stishin, a member of the Communist party's policy-making central committee said yesterday that the key purpose of the Reykjavik talks would be "to turn on the green light for a full-scale summit meeting".

## Labour's defence stance under fire

Continued from page 1

infation at 27 per cent. And untrammelled union power. No wonder the financial markets have been nervous."

Continuing the programme of policy pronouncements yesterday, Mr Malcolm Rifkind, Secretary of State for Scotland, outlined the Government's plans for the replacement of household rates with a residents charge.

The new system will be installed in Scotland before the general election as a model for the rest of the country if the Tories are returned at the next election.

The Chancellor was attacked after his speech by the shadow Chancellor, Mr Roy Hattersley, who called it "the most vacuous ever".

He accused the Government of wasting millions of pounds of public money on propping up the pound to postpone interest rate increases until after the Conservative conference.

The result, he predicted, would be a bigger rise than would have been needed if the Chancellor had acted earlier.

Mr Christopher Patten, the Minister for Overseas Development and an idol of the younger Tory Wets, told a meeting of the Tory Reform Group in Bournemouth last night that the party had to remain a broad church rather than become a "narrow sect of the right wing".

"The voters were in danger of becoming bored with the Government and were not persuaded yet that they had done enough to safeguard basic health and welfare."

He called for more emphasis on the Government's achievements than attacks on the Opposition, saying: "We will win back protest votes more by what we do and what we say about our own plans than by what we do and what we say about the plans of the SDP and the Liberals."

He added: "Old certainties about monetarism now wear a rather ratty look. It is ludicrous to suggest that any attempt to open up a serious argument about unemployment, for example, or the welfare state, is a sign of disloyalty."

## Frank Johnson with the Tories Forever England by the seaside

After three days of any Conservative conference, it is easy to understand the powerful, if no longer original, movement in English literature which ensures that every year these occasions are depicted as organized sycophancy, a creeps' convention.

Apart from a few lapses over the years, I have myself never been part of that movement. Quite apart from anything else, it has always seemed to me to be a school of writing which invites from the reader the obvious retort: if it is so boring, what are you doing writing about it, if attending Conservative conferences is so repellent, why not find an alternative way of earning a living?

In any case, at the heart of the movement, there is always been a profound misunderstanding of the nature of the conference. It should not be compared and contrasted with a Labour conference, or nowadays with the Liberal Assembly. It should be seen in relation to other English institutions: the country weekend; the wedding where the men hire their toggs from Moss Bros; Glynedebourne; the memorial service. You should no more expect attacks on the leadership from the floor at a Conservative conference than you should expect attacks on the hostess's cooking from the floor of a South Kensington buffet supper.

Another error is the wilful misrepresentation of the social tone of the occasion. It is predominantly middle-class — not upper-middle nor lower-middle, but middle-middle. Most of these people's idea of a grandee is Mr Julian Critchley. Yesterday, for example, a woman chairing a debate — a Dame, moreover — congratulated a woman speaker on having recently got married. Mr Critchley — who has written more about class than any writer other than Marx — would point out that, when he was first in the Conservative Party, one only congratulated a *man* on getting married. One *felicitated* a woman.

All you need, to get through the week, is a reasonable tolerance of the way of life of the political English middle class: the backbone of the party. At the Labour conference last week, the speakers rang with rastafrican-coiffured women shrieking such impressions as "your opposition to black sections makes you a racist, Kinnoch" when the party leader scurried by.

At Bournemouth, the girls' cries tend to be ones of recognition, such as "It's Sebastian, WHAAAT! a treat! Remember me... No, Cressida was the other girl at the same ball, I'm Gargantua."

Sadly, this great annual festival of Englishry will always get a dreadful press from brutes who have no imaginative sympathy with civilizations so different from their own. Every year the poor conference chairman is singled out for special persecution. His is not the same office as that of the party chairman, Mr Tebbit. The conference chairman is always an unknown businessman, mummified in a good, dark-blue suit, from the grand-sounding, poreless National Union of Conservative and Unionist Association.

At Labour conferences, the chairman proceeds on the assumption that all speakers from the floor are going to be enemies of the leadership and indeed of Western civilization. Among the Tories, it is the opposite. The only opponents of the Government tend to be members of it. It is assumed that the speakers from the floor will praise the Government, but it is essential that they do not take too long about it. To get rid of them, the chairman invents with a deft "We're all enjoying your speech immensely, but I must regrettably ask you to draw your remarks to a close, Comrade Smug-Natterer."

But, remember, the conference chairman should be seen in the context, not of his Labour counterpart, but of such English institutions as the toastmaster and the funeral director.

### Today's events

**Royal engagements**

The Princess of Wales, Patron, Birthright, opens the Harris Birthright Centre for Prenatal Medicine, John Radcliffe Hospital, Oxford, 10.30; and later attends the British Fashion Week, Fishmongers' Hall, London Bridge, EC4, 8.15.

Princess Anne opens the new plant at Rockwood, Pencoed, Mid Glamorgan, 11.05; and then, as President, the Riding for the Disabled Association, visits the Pembrokehire 'A' Group, Norchard Farm Riding School, Manorbier, Tenby, Dyfed, 1.10; later, as President, the British Knitting and Clothing Council, she visits Corri Hostry, Ammanford, Dyfed, 3.30.

New exhibition

Works by William Scott; Scot-

ish National Gallery of Modern Art, Belford Rd, Edinburgh; Mon to Sat 10 to 5, Sun 2 to 5 (ends Nov 23).

Last chance to see

Work by the Devo Guild of Craftsmen; Riverside Mill, Bovey Tracey, Devon, 10 to 5.30.

1100 years of mining history; National Museum of Wales, Main Building, Cathays Park, Cardiff, 10 to 5.

**Music**

Canterbury Festival: concert by the Hilliard Ensemble; Cathedral Undercroft, Chapel, Canterbury, 8.

Cheltenham Festival of Literature: Recital by Ennia Kirby (soprano) and Anthony Rooley (piano); Prema Project, Uley, Glos, 7.30.

Children for Children concert; De La Warr Pavilion, Bexhill, 7.30.

**Concerts** by the Taulou Sinfonietta and Martin Roscoe (piano); Tiverton School Music Society, Bolham Rd, Tiverton, 7.30; Piano recital by Peter Edinbosc; South Devon High School, Charford Rd, 7.30.

Concert by the Ulster Orchestra; Ulster Hall, Belfast, 7.45.

Concert by the Orchestra da Camera; Adrian Boult Hall, Birmingham, 8.

Recital by the Handel Consort; Wolverley Church, Kidderminster, Wores, 7.30.

Concert by the Scottish National Orchestra; Ulster Hall, Edinburgh, 7.30.

**General**

Cheltenham Festival of Literature: Poetry Today; Midsummer morning log with Michael Horowitz and Peter Blake; Art Gallery and Museum, Cheltenham, 12.30; Scars upon my Heart, Northleach Church, 7.30.

Book Fair Assembly Rooms, Bath; today 2 to 8, tomorrow 10 to 5.

### Food prices

The long spell of warm, dry weather, has brought an abundance of home-grown vegetables into the shops. The best of them are Brussels sprouts, 18-28p a lb; green cabbages, 15-20p a lb; broccoli, 40-60p a lb; cauliflower, 25-40p each and white potatoes 10-12p a lb. Pickling onions are in season and home-grown sweetcorn is down to as little as 15p a cob in some areas.

Coxes apples at 30-45p a lb and lemons 9-20p each. 3 1/2-5p a lb, lead the seasonal fruit list. New crop Bramley cooking apples are also good value at 20-30p a lb. The first Courtes and Eacham pears at 30-60p and 40-65p a lb respectively are arriving; but Conference pears are probably better value at 25-40p. Avocados 25-55p each, bananas 35-50p a lb, Kiwi fruit 18-30p each, oranges 8-28p each and lemons 9-20p each.

The fine weather at sea has also meant a good supply of fish and fairly steady prices. Large cod filets average £1.77 a lb, haddock £1.79, plaice £1.92, goby 95p and mackerel 63p.

There are always big regional variations; whitings, for example, ranges from 95p-£1.44 and lemon sole from £1.85-£2.54.

Good meat buys available at supermarkets this week include: Fine Fane lamb legs £1.26 a lb and shoulder joint £1.29 a lb; Tesco Dutch veal escalopes £4.25 a lb and braising steak £1.64; Safeway whole fresh chicken 78p a lb; Asda home produced lamb leg £1.26 a lb and boneless shoulder £1.34 a lb; Dewhurst braising steak £1.79 a lb and pork leg fillet end £1.15 a lb; Marks and Spencer 700g pack of beef and pork brisket and boneless rib of beef; Sainsbury's frozen chicken 45p a lb and saddle of lamb £1.54 a pound.

### Anniversaries

**Births:** Jacobus Arminius, theologian, Oudewater, Netherlands, 1560; Jean-Antoine Watteau, painter, Valenciennes, France, 1684; Henry Cavendish, physicist and chemist, Nice, 1731; Benjamin West, painter, Springfield, Pennsylvania, 1738; Giuseppe Verdi, Le Roncole, Italy, 1813; Rufus Daniel Isaacs, 1st Marquess of Reading, Victoria of 1891, 1921-26, London, 1860; Fyodor Dostoyevsky, novelist and statesman, Nobel Peace laureate 1922, Storo-Fron, Norway, 1861; Ivan Bavin, poet and novelist (new style), Oct 22, Voronezh, Russia, 1870; Wilhelm Marris, 1st Viscount Northfield, Worcester, 1877.

**Deaths:** Fra Filippo Lippi, painter, Spoleto, Italy, 1469; Sir Cyril Burt, psychologist, London 1971.

Following the eruption of a volcano, the population of Tristan da Cunha left the island, 1961.

### Weather

A slow moving frontal trough will affect the extreme SE of Britain for much of the day.

6 am to midnight

London; SE, central S England, East Angles, Channel Islands: Rather cloudy, occasional light rain, clearing later with sunny intervals developing; wind SW to light or moderate; max temp 17C (63F).

Midlands, E, SW, NW, central N, NE England, Wales: Mainly dry, bright or sunny intervals; wind southwesterly light of moderate; max temp 17C (63F).

Lake District, Isle of Man, Borders, Edinburgh, Dundee, Aberdeen, SW Scotland, Glasgow: Sunny intervals, scattered showers; wind southwesterly moderate or fresh; max temp 14C (57F).

North Wales, Argyll, Orkney, Shetland, Northern Ireland: Bright intervals, some heavy and prolonged; wind southwesterly strong to gale force; max temp 13C (55F).

Outlook for tomorrow and Sunday: Occasional rain or drizzle in the north, where it continues rather widely. Mainly fine elsewhere. Becoming warmer in the S.

6.15 am to 6.45 am

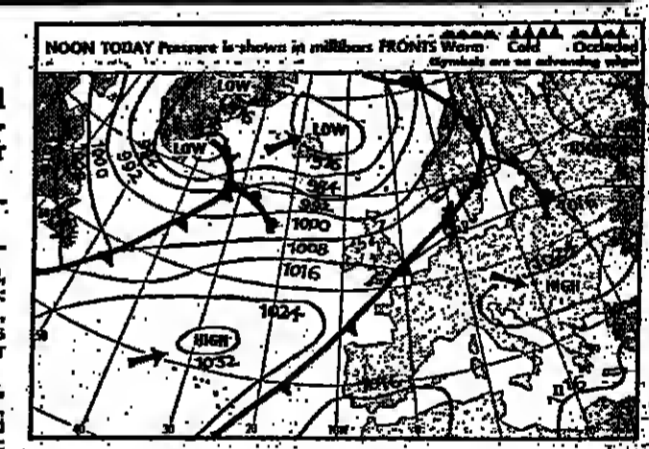
London & SE to 6.47 am

Edinburgh 6.50 pm to 7.05 am

Belfast 6.55 pm to 7.05 am

Manchester 7.00 pm to 7.15 am

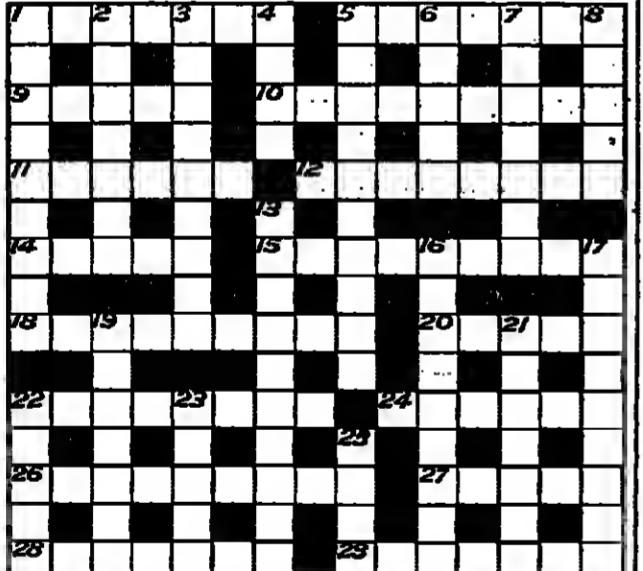
Pennance 7.12 pm to 7.07 am



#### High Tides

TODAY	AM	HT	PM	JT
London Bridge	6.49	3.7	10.32	6.9
Aberdeen	6.49	3.7	10.32	6.9
London Bridge	6.49	3.7	10.32	6.9
Aberdeen	6.49	3.7	10.32	6.9
London Bridge	6.49	3.7	10.32	6.9
Aberdeen	6.49	3.7	10.32	6.9
London Bridge	6.49	3.7	10.32	6.9
Aberdeen	6.49	3.7	10.32	6.9
London Bridge	6.49	3.7	10.32	6.9
Aberdeen	6.49	3.7	10.32	6.9

### The Times Crossword Puzzle No 17,173



**ACROSS**

- One who beats others in many games of bridge (7).
- Very sound sleepers in tents (3,4).
- Wrong parts for adult (5).
- Demonsirator for old silver coin (9).
- One of Napoleon's equals? At first, anyway (6).
- Popular at home? Damned odd, that is (2,6).
- Two rings needed for this wild beast (5).
- How striker brought about his own dismissal (3,6).
- Port wine to conotude (9).
- Space traveller to regain consciousness, almost (5).
- Another jack from the same deck (8).
- Character from Selkirk, originally (6).
- Headful, and tentative moving at first (9).
- Provide view round tree (5).
- Two sorts of coas in the distance (7).
- Something maid doesn't have to manage (7).

**DOWN**

- Ruthless competition producing cannibalism? (3,3,3).
- Perfect early C on piano, perhaps (7).
- Make prohibitions in great numbers in Eastern city (9).

Concise Crossword page 14

### Top Films

The top box-office films in London:

- 1) Top Gun
- 2) Aliens
- 3) Mona Lisa
- 4) About Last Night
- 5) Room With A View
- 6) Betty Blue
- 7) Hannan And Her Sisters
- 8) D.A.R.Y.L.
- 9) Highlander
- 10) Poltergeist II: The Other Side

The top films in the provinces:

- 1) Aliens
- 2) Poltergeist II: The Other Side
- 3) Highlander
- 4) Hannan And Her Sisters
- 5) The Color of Money

Supplied by Screen International

### Top video rentals

- 1) No Retreat, No Surrender
- 2) Lagan
- 3) Return of the Living Dead
- 4) Black Moon Rising
- 5) The Exorcist
- 6) The Goonies
- 7) Revolution
- 8) Gotcha
- 9) D.A.R.Y.L.
- 10) The Sure Thing

Supplied by Video Business

### Roads

The Midlands: M1: Roadworks prior to contraflow between junctions 27 and 28 (A609/A38). M5: Lane closures between junctions 4 (Bromsgrove) and 8 (M50 S/Wales).

Wales and West: M4: Contraflow between junctions 16 and 17 (Swindon/Chippenham). M4: Contraflow between junctions 24 (Rhondda) and 35 (A473). M5: Two lanes closed in both directions between junctions 11 (Cheltenham) and 12 (The North). M63: Lane closures at Barton Bridge, Greater Manchester; avoid if possible. M6: Lane closures at junction 23 (A580 - St Helens). M18: Contraflow between junctions 6 (Thorne) and 7 (M62).

Scotland: M8: Contraflow between junctions 29 (Paisley) and 30 (M898). A809: Temporary lights on Drymen Rd, Glasgow, at Dual Bridge. A9: Temporary lights over the River Tay at Jubilee Bridge, Tayside.

Information supplied by AA

### Parliament today

Lords (11): Debate on completion of EEC internal market.

### Portfolio Gold

Times Portfolio Gold rules are as follows:

1. Times Portfolio is free. Purchase of the Times is not a condition of the offer.
2. Times Portfolio is not a stock exchange price. It is a share in the profits of the company which will be distributed to shareholders in the form of a dividend. The share is not listed on the Stock Exchange and its price is not determined by the market. The share is not subject to the same risks as a share on the Stock Exchange.
3. Times Portfolio is not a share in the profits of the company. It is a share in the profits of the company which will be distributed to shareholders in the form of a dividend. The share is not listed on the Stock Exchange and its price is not determined by the market. The share is not subject to the same risks as a share on the Stock Exchange.
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### Anglers' weights

After the announcement last week that the sale of most lead weights used by anglers is to be banned from the beginning of next year, the Royal Society for the Protection of Birds has produced a guide to alternatives to lead weights.

Anglers' Choice is being distributed to angling clubs and tackle shops around the country. Copies are available free from the RSPB, Department 1305, The Lodge, Sandy, Beds, SG19 3DL (enclose a s.a.c.).

### Christmas post

Tomorrow is the last recommended posting date for Christmas surface mail to the following countries:

Angola, Argentina, Bahrain, Bangladesh, Barbados, Belgium, Bolivia, Brazil, Bulgaria, Canada, Cambodia, China, Colombia, Costa Rica, Ecuador, Egypt, Finland, France, French Guiana, Gibraltar, Greece, Hong Kong, Hungary, Iran, Iraq, Ivory Coast, Japan, Jordan, Kenya, Korea, Kuwait, Lebanon, Liberia, Libya, Malaysia, Mauritania, Nigeria, Oman, Paraguay, Qatar, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Suriname, Taiwan, Thailand, United Arab Emirates, Uruguay, Venezuela, Yemen.

### Around Britain

Sun Rain	Max	Min	Sun Rain	Max	Min
East Coast	8.8	18.6	sunny	15.5	8.0
London	8.8	18.6	sunny	15.5	8.0
South Coast	8.8	18.6	sunny	15.5	8.0
Wales	8.8	18.6	sunny	15.5	8.0
Scotland	8.8	18.6	sunny	15.5	8.0
Northern Ireland	8.8	18.6	sunny	15.5	8.0

### Abroad

MONDAY: c, cloud; d, drizzle; f, fair; fog; r, rain; s, sun; sn, snow; L, thunder	C	F	C	F	C	F		
Athens	25	17	Colombia	25	17	Rome	25	17
Athens	25	17	Colombia	25	17	Rome	25	17
Athens	25	17	Colombia	25	17	Rome	25	17
Athens	25	17	Colombia	25	17	Rome	25	17
Athens	25	17	Colombia	25	17	Rome	25	17

**BUSINESS AND**

**Executive Editor**

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### WALL STREET

## Dow edges forward in moderate early trading

New York (Agencies) — Wall Street stocks moved higher in moderate early trading yesterday, extending a rally of the previous session.

The Dow Jones industrial average rose 8.86 to 1,812.71 at one stage when the transport indicator was up 6.75 at 834.88 but the utilities average showed a fractional decline of 0.23 to 198.58. The 65 stocks average was up 3.54 to 721.54.

The broader Standard & Poor's 500-stock index was up 1.36 to 238.04 while the New York Stock Exchange composite index rose 0.71 to 137.00.

Advancing shares were leading declining issues by a three-to-two margin on volume of about 15 million shares.

Oct 9	Oct 7	Oct 9	Oct 7	Oct 9	Oct 7
AMR	58 1/2	58 1/2	Freestone	25 1/2	25 1/2
ASA	27 1/2	27 1/2	Gen Corp	27 1/2	27 1/2
Allegheny	40 1/2	40 1/2	Gen Int'l	55 1/2	55 1/2
Alcoa	45 1/2	45 1/2	Gen Int'l	55 1/2	55 1/2
Alcan	37 1/2	37 1/2	Gen Int'l	55 1/2	55 1/2
Amgen	14 1/2	14 1/2	Gen Int'l	55 1/2	55 1/2
Amstar	24 1/2	24 1/2	Gen Int'l	55 1/2	55 1/2
Amtrak	43 1/2	43 1/2	Gen Int'l	55 1/2	55 1/2
Amgen	14 1/2	14 1/2	Gen Int'l	55 1/2	55 1/2
Amstar	24 1/2	24 1/2	Gen Int'l	55 1/2	55 1/2
Amtrak	43 1/2	43 1/2	Gen Int'l	55 1/2	55 1/2
Amgen	14 1/2	14 1/2	Gen Int'l	55 1/2	55 1/2
Amstar	24 1/2	24 1/2	Gen Int'l	55 1/2	55 1/2
Amtrak	43 1/2	43 1/2	Gen Int'l	55 1/2	55 1/2
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Amtrak	43 1/2	43 1/2	Gen Int'l	55 1/2	55 1/2
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BIM's new chairman wants stronger links between industry and education

# Wolfson kicks off a fresh strategy for management

By Derek Harris, Industrial Editor

The British Institute of Management (BIM), with 75,000 members is the biggest organization of its kind in the world. It has thrived under the capable, urbane chairmanship of Sir Peter Parker, a former chief of British Rail.

Now, for the next two years with Sir Peter's successor, the BIM has a new cutting edge. Taking the chair is Brian Wolfson, who was the leader of a consortium which nine months ago bought Wembley Stadium, in London.

Business, he maintains, is fun and says that since every successful man makes mistakes he works so hard to be able to afford his next mistake.

At 51, he is seemingly indefatigable. He is also chairman of Anglo-Nordic Holdings, an engineering group with 20 factories throughout Britain, which exploits a number of different mass products, from aviation ground handling equipment to specialist agricultural machinery.

His many directorships include some in the United States, with the aerospace division of Hercules at Wilmington, Delaware, and Kaper-Tregoe, specialists in decision analysis, located in Princeton, New Jersey.

These non-executive interests are valuable, he says, because it teaches radical questions to ask about a business that spring from the fresh mind from outside.

He said: "I enables you to go back to ask more questions of your own business. I regard it as a self-cleansing process."

He has close ties with the University of Pennsylvania at Philadelphia, including membership of the advisory board of the Wharton Centre for International Management Studies. He is also a governor of the Lauder Institute there.

The BIM clearly will not be left short on the latest trends in US thinking on management matters, although Mr Wolfson, a classic man-of-action, says he is not a great one for theories as such.

His network of business interests spans more than 20 countries and until comparatively recently he spent more time out of Britain than in it. He still has a formidable schedule of intercontinental commuting, but the balance has shifted.

He now puts a lot of miles on the odometer of his A-registered Mulsanne Turbo Bentley, Anglo-Nordic's headquarters having been shifted to Hemel Hempstead, in Hertfordshire, close to the motorway network, where the M1 links with the M25.

Chairmanship of the Wembley consortium means a lot more work at evenings and the weekends, he said. It is a



Brian Wolfson at Wembley: "Commerce is the best game in town"

business venture but for him rather more than that.

He said: "It brings together so many of the things I have ever been and done. It is almost as if I have spent my life getting ready for it."

As a youngster he was a 400 metres champion. A Merseyside, he follows the fortunes of Liverpool United as keenly as he ever did.

His father died when he was 15 and he was out in the university of life. It taught him well. He started off in a motor engineering job in Liverpool. By 18 he was in business with two partners and then went on to build his first group of companies only to be headhunted, in his mid-twenties, by the Granada group.

First he was involved with leasing, then became chief executive of the television rental subsidiary, rising to joint managing director of the Granada group. He had nine years with Granada leaving in 1971 at 35.

He recalled: "It was starting all over again. This time I looked around the world, starting with Australia and South East Asia."

He established his first links with Smith, a Danish company which is among the world leaders in cement plant, and put together an international group with interests ranging from television rental in a score of countries to the Volkswagen importer in Mexico. In 1976 Mr Wolfson started building up Anglo-Nordic.

It was no surprise when he became the first non-North American president of the Young Presidents' Association, whose membership includes some of the world's brightest and most successful managers.

So what BIM has gained is a hard-nosed businessman with an international view devel-

oped in coping with the nitty gritty demands of many different national markets.

He has shown that as well as a businessman he is also a proselytiser during his long-term support of the BIM where he has been chairman of the institute's education and management development committee.

Sir Peter, when he handed over the BIM chairmanship last month, said of Mr Wolfson: "We are lucky to have in the new chairman someone who has served the institute for many years with great distinction, particularly in his unifying vision of the interdependent needs of industry and education."

Mr Wolfson laid down his main strategy for his two years as BIM chairman: "I am particularly keen to increase young people's involvement with industry and promote better management education. Management education should start in the school classroom and should be a lifelong process. The more skills people gain, the more motivated they become."

His preoccupation with improving the interface between industry and educational institutions also took him to board membership of the Foundation for Management Education.

But the fine focus of his thinking dwells most of all on motivation. He said: "The fundamental problem of this country is attitudinal. Go to the thriving countries - Korea, Brazil, Singapore, Taiwan and so on - and they have a national perception of where they are going."

"In Britain there is no common perception of this kind. British talent is as good if not better than in any other of the advanced countries of the world, but that clarity of

perception and purpose is not there."

Like many in manufacturing industry, he is critical of Britain's contra-commercial culture, with its roots in the Victorian past and earlier. Too few competent managers are being turned out by the British system and too few people with the correct range of skills and training, he said.

He bemoans that outstanding example of the attitudinal gap in the United Kingdom: the British approach to so many manifestations of the tourist industry.

Mr Wolfson said: "Britain is uniquely placed to exploit tourism potential, yet how many native born Britons do you see working in restaurants or the hotels? Britons confuse service with servile. But go to Switzerland; there they take a pride in service. It is no accident that Swissair enjoys the reputation it has."

If Britons saw a priority in securing a better standard of living then such attitudes could change, he said.

He applauds British successes. "We are at least as good as anybody in the world as retailers and are very good at distribution."

But Mr Wolfson added: "We need to hear more about manufacturing innovation and excellence in terms of making things. We cannot exist as a nation without basic manufacturing industry."

"The City has attracted our best brains as it works in a world by itself - but if we do not go on making things the City will have nothing to which to charge the bill."

He added: "You do not create wealth, generally, unless somebody makes something or grows something. Yes, oil is wealth. And the City can earn money abroad by offering services. Traditional industries may

have been suffering in Britain but such industries can fight back. This had happened with textiles, he pointed out, as higher technology techniques were developed not only abroad but also to an extent in Britain.

He added: "As you become more inventive and creative you are back in with a chance."

He is encouraged by improvements being seen in productivity from the coal pits to the steel works and the car factories. The trouble, he feels, is that not enough companies in industry are achieving the same.

One problem was that large companies could be too complacent and rigid, he said. That was why small businesses, with their eye on the ball and quick on their feet, could do so well.

Another hopeful factor was the way Britain was leading the world in computer skills at school level.

Mr Wolfson said: "We probably have more computers in schools and in homes than any other nation. Given our basic inventiveness this could bode well for the next generation in industry and commerce."

"But the country does have to have a sense of priorities and specifically to improve the standard of living. It also means political commitment."

He added: "We need to be responsible. We cannot just say we want it and we have to sell more."

The key issue was what people produced rather than what they earned because a priority was to secure a 25 per cent productivity improvement over the next few years.

That meant training and redeployment, he said but added: "We are just near the brow of the hill. We could drop back or we could reach out and find clearer horizons."

What management and national leaders had to give was the right purposeful quality. "After all, a Brit if he has got into his mind where he wants to go he will go there, be sure of that."

Mr Wolfson wants a bigger contribution, too, from education. He said: "If you do not get it right in the classrooms you do not get it right anywhere. I would argue that the nation's centuries educated its elite and rather poorly educated the body of the kirk."

Mr Wolfson said with a smile: "I am proud to be a man of commerce. It's the best game in town."

## COMMENT Kenneth Fleet

# Lawson smoothes the way to higher rates

Nigel Lawson used to be thought of as money man first, politician second. Yesterday, he changed the order. Turning a Nelsonian eye to the storms in financial markets, he delivered a speech designed to warm up autumn in Bourne-mouth. He also made a rise in the bank base rate in the next few days even more likely.

The commitment to a 25 per cent basic rate of income tax remained firm. So too was the promise that there would be no irresponsible public spending ahead of the General Election. This left open, no doubt intentionally, the question of how responsible the path of the public sector borrowing requirement would be.

The markets listened patiently and intently. It was just possible, even in a speech to the Party faithful, that he would slide in a telling reference to the European Monetary System. He did not; and as the Chancellor was receiving his standing ovation, the screens of foreign exchange dealers were linking the pound down against all currencies. It fell by more than a cent against the dollar in the five minutes after Mr Lawson's speech.

The surprise was that the pound was not weaker. The sterling index, after rising from 67.1 to 67.8 during the morning - helped by some Bundesbank support for the dollar - had relapsed to 67.5 by the close. The pound closed above its lows against the mark.

Money market interest rates are now discounting the one-point rise in base rates that most operators think is inevitable next week. Rates closed about an eighth higher yesterday. With a rise of this sort now built into the market, a further attack on sterling may seem to the bears an unnecessary indulgence at this point.

The behaviour of gilts, up by a point in the morning, and holding on to three-quarter point gains at the close, can be explained in the same way. According to John Sheppard of Rowe & Pitman, Mullens, the market is already looking beyond a rise in base rates to the time when they can be brought down again, in familiar Duke of York fashion. The gilts market, however, thinks that the initial rise in base rates will have to be two per cent, not one.

Options on a merger. What price a unified London Options Exchange? Perish the thought, say those who insist that only competition can improve the breed, and it is certainly a healthy sign in the run-up for Big Bang that the London International Financial Futures Exchange (Liffe) and the Stock Exchange

should be fighting so keenly over this fast-expanding area of the financial services arena.

But as the two markets have already discovered, there is room for co-operation. They have chosen as the natural starting point the coincidence of having the International Commodities Clearing House as their clearing agent. Once the ICCH succeeds in gearing up its computers, traders with seats on both exchanges will be able to make more economical use of deposits with the clearing house. Other mutual benefits are also being examined, including co-operation in complying with provisions of the Financial Services Bill.

Both exchanges are also learning that they have established areas of expertise with comparatively little overlap. Few would dispute that the Stock Exchange is the natural place to trade options in ordinary shares and Liffe is unlikely to try to steal this business.

Equally, Liffe looks like becoming the home for options contracts based on Government securities. Interest in the Stock Exchange's long gilts options is so limited that dealers have difficulty filling their orders there.

Trying to select a winner in other instruments is more difficult. Neither exchange has made a go of currency options, probably because those who want to cover their exposure to movements in rates of exchange normally do so in the huge London interbank foreign exchange market. The Stock Exchange may have the edge over Liffe when it links with the highly-liquid Philadelphia market.

On equity index options, it will be fairer to judge after Big Bang. Starting on October 27, members of the Stock Exchange can negotiate the commissions they charge as their Liffe brethren in the Royal Exchange already do. Liffe starts the next lap with its new contract having the advantage of a nearby delivery month.

Any pressure for a joint options market is likely to come initially from the Stock Exchange where there are no sacred cows left. Liffe, for its part, has other priorities, including the development of its international links, as it enters its fifth year in ebullient mood.

The real battle, however, is London versus the rest, not Liffe against the Stock Exchange. There is a great gaggle of American markets ready to take over the business if London cannot properly serve the customers. The recent misfortunes of the London soft commodities and metals markets should serve as warning enough that no City institution has a guaranteed future.

# City office area likely to grow

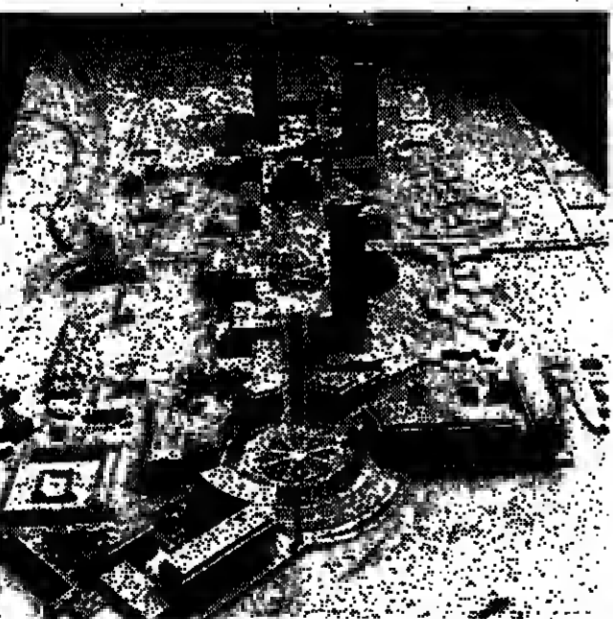
By Judith Huntley Commercial Property Correspondent

The demand for good quality offices in the City of London to meet the needs of the international financial conglomerates in the Big Bang era could lead to the redevelopment of a third of the 140 million sq ft of space in the Square Mile, and their surroundings within the next five to 10 years, according to Edward Erdman, the surveyor.

The firm, in a research report, says that 1987 will be a crucial year for the property market in the City. If the planners agree and the market continues its bull phase, Edward Erdman says that by then there will be 11 million sq ft of new offices in the City and its fringes, excluding the 10 million sq ft proposed by a banking consortium at Canary Wharf in London's Docklands.

The firm gives a warning that demand, with the likes of Nomura and other foreign finance houses still looking for huge amounts of space, will not be satisfied until at least the end of 1987 when major schemes are due to come on stream.

The imminent arrival of Big Bang has been responsible for 58 per cent of the lettings in large buildings - those with more than 20,000 sq ft. And it has raised demand in the



A model of the proposed 71-acre Canary Wharf development

Square Mile and its environs above historic levels. The City's office market still depends significantly on Big Bang. But it is by no means only the banking and broking combines which are in the forefront of demand for ever bigger and higher-quality space.

Edward Erdman says that the insurance, law and accountancy firms have taken up 32 per cent of the office space let in and around the City. With newspapers moving from their traditional haunts in Fleet Street and Holborn, the area is quickly becoming an alter-

native location for such firms. The result is rising rents and the redevelopment of newspaper offices such as the Daily Telegraph and sites owned by News International.

The role of the planners is crucial in deciding whether the City and London as a whole can provide the kind of large, quality buildings demanded, and on offer to the international financial markets elsewhere.

The City of London Corporation has changed its stance on allowing offices of more than one million sq ft to be built in the Square Mile.

But it is by no means about to relinquish its conservationist stance for some of the most historic parts of its area.

"It has yet to decide on whether any of the plethora of redevelopments planned for London Wall, some of which involve demolishing offices only 20 years old, can go ahead."

Edward Erdman believes that the deregulation of the City's financial markets must be accompanied by the deregulation of the property market. This would mean a shake-out in the traditional leases to tenants demanded by a market which was - but no longer is - led by institutional investors.

The firm says that leases must be more flexible, allowing occupiers to regroup and move around more easily and more often. There must be a positive planning regime for quality redevelopment within the City and in Docklands.

The knotty question of obsolescence is raised. No longer can buildings be considered as investments to be left on the shelf with automatic rent reviews.

Edward Erdman adds that offices may last for 45 years, but they will need refurbishing and upgrading every 15 years. Landlords will have to regain possession of their buildings to enable tenants to move. And they must accept a higher level of vacancies than that to which the City market is traditionally used.

# Out-of-town shops centre policy urged

The property industry is applying increasing pressure on the Government to produce a policy on out-of-town shopping centres (Judith Huntley writes).

Britain's largest out-of-town scheme, the 2 million sq ft Metrocentre in Gateshead, Tyne and Wear, opens on Monday.

London, has been given planning consent on appeal in the last 20 years in England and Wales.

The economists conclude that although the number of schemes refused permission on appeal to Mr Nicholas Ridley, the Secretary of State for the Environment, is not encouraging in the light of the present state of applications,

land is becoming available for out-of-town shopping.

Enterprise zones, such as Gateshead and former industrial sites are being developed for retailing.

Lee Donaldson says development in the Green Belt will be more difficult despite the Government's presumption in favour of new

# China & Eastern Investment Company Limited



Preliminary Announcement of Final Results to 31st July, 1986  
The company was incorporated on 12th July 1985 and commenced trading following the public offer for sale on the London Stock Exchange in November, 1985. Total proceeds amounted to US \$17,000,000 (US \$16,070,978 after expenses). Thus the figures below, an extract from the final results of the company, are for nine trading months only.

	As at 31st July, 1986	
	US \$	£
Total net assets	20,851,493	13,966,171
Gross revenue	1,094,697	733,220
Taxation and administration expenses	283,865	190,131
Earnings attributable to shareholders	810,832	543,089
Proposed dividend	374,000	250,502
Retained profit	436,832	292,587
Earnings per share	4.8 cents	3.2p
Dividend per share	2.2 cents	1.5p
Net asset value per share	\$1.23	£0.82

The company accounts in US dollars and the figures in Sterling are, for convenience only, converted at the rate prevailing on 31st July 1986 of £1.00 = US \$1.493. The unaudited net asset value per share as at 30th September, 1986 was US \$1.44 (£0.99), or US \$1.37 (£0.95) allowing for the full exercise of warrants. The Annual Report and Accounts will be posted to shareholders at the end of October, 1986. The Annual General Meeting will be held at 12.00 noon on Tuesday, 9th December, 1986 at 9 Bishopsgate, London EC2N 3AQ. The final dividend is expected to be paid on Thursday, 11th December, 1986 to shareholders registered on 25th November, 1986.

### Highlights from The Chairman's Review

"We have already made several direct investments in companies operating in China. Among the ventures we are backing are a goose farm for the production of goose liver pâté for the export markets, and a high quality documentary film. We have also invested in a venture capital company, which will give us a further indirect exposure to China's economy.

"We have adopted a prudent approach in direct investments, seeking out only the best opportunities. We now have a significant portfolio of potential investments and are in active negotiations with a large number of direct ventures in China. I expect our direct investment programme will accelerate in the current year.

"While seeking out direct investments, we have invested

in quoted companies, mainly in Hong Kong and Japan, which have significant business with China.

"Market conditions remain buoyant and I am confident that further opportunities will arise in the two principal external markets - Hong Kong and Japan - to invest in listed China-related companies.

"The Chinese economy is now showing every sign of an upturn, while the pace of reform, both political and economic, is encouraging. Our confidence is further enhanced by prospects for currency reform within China and further easing of restrictions on foreign investment. The tentative establishment of a small Stock and Money Exchange in Shanghai and proposals for others bode well for investment in China." John D. Bolsover, Chairman

To: Baring International Investment Management Limited - 9 Bishopsgate, London EC2N 3AQ, England.  
Please send me a copy of the 1986 Annual Report of China & Eastern Investment Company Limited.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_



STOCK MARKET REPORT

Buyers come in for Pilkington Bros

By Michael Clark and Carol Leonard

The telephone lines between Britain and America were running red-hot yesterday as City analysts rushed to issue buy recommendations for Pilkington Brothers, the glass manufacturing and processing group.

The analysts have just completed a week-long tour of the group's US operations and were clearly impressed with what they saw.

Brokers are now urging their top institutional clients to add them to their portfolios and dealers were able to report some solid turnover in the shares. As a result, price responded positively climbing 14p to 460p - just 10p shy of the year's high.

But there is also talk that a large buyer of the shares has been doing the rounds and may have picked up more than 8 million shares, or about 4 per cent of the total equity.

tailor, slipped 2p to 228p amid unconfirmed reports that almost 4 per cent of the company had changed hands outside the market.

A line of around 35 million shares, worth nearly £80 million, was said to be up for grabs, but the identity of the sellers remained a mystery.

Mr Gary Weston's Associated British Food owns around 135 million Dee shares (15 per cent) following the sale of Fine Fare to Dee for more than £600 million in June. But he has given an undertaking not to sell any shares for at least six months.

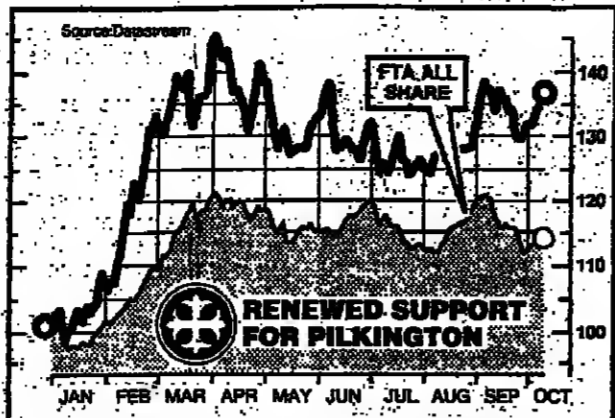
First thing yesterday Mr Alec Monk, chairman of Dee, sold 1 million options in the company and quickly notified the Stock Exchange.

There was also a big chunk of Mount Charlotte Investments, the hotel group, on offer. Dealers claim that about 4 million shares have gone through the market. The price held steady at 87p.

Earlier this summer, Mount Charlotte's "30/30" merger talks with Plesianama, the casino operator and leisure group.

A firm pound and hopes that the Opel meeting in Geneva will yet produce an agreement gave a boost to the stock market yesterday.

Reports that the Bank of England would be handing over supervision of the gilts market to the Stock Exchange were denied by the Bank.



can categorically deny it," a spokesman for the Bank said. Excitement ahead of this morning's TSB dealings boosted the price of the partly-paid shares on the "grey" market more than 5p to 95p.

Barclays gained 10p to 474p. Lloyds 10p to 422p. Midland 10p to 547p. National Westminster 13p to 522p and Bank of Scotland 7p to 439p.

British Aerospace gained 12p to 480p, after 488p, on the back of bullish order book news. The Australian Elders, the Australian

brewer with a London quote, which met with institutional investors earlier in the week, climbed 17p to 228p.

Mr John Tyce, banking analyst at Alexanders Laing and Cruickshank, the broker, reckons they could open at 85p to 90p and will then go higher.

Elsewhere in the banking sector Standard and Chartered jumped 7p to 749p after Mr Robert Holmes a Court, the Australian businessman, confirmed that his Bell Group had increased its stake to more than 10 per cent.

group, lost 30p to 536p following the announcement of its merger plans with Waterford Glass. Waterford eased a couple to 118p.

Options buying in Consolid and Lonrho forced jobbers to buy stock in the market to cover their positions.

Cadbury Schweppes, the confectionery and soft drinks group, has been a dull market of late, but suddenly came to life yesterday with a leap of 7p to 185p - just 8p shy of the year's high.

There is talk that Sir Adrian Cadbury, chairman, may have had a few words with Sir Hector Laing, chairman of United Biscuits, about a possible merger. Both groups are regarded vulnerable.

Earlier this year UB's attempts to merge with Imperial Group were thwarted by Hanson Trust. If the two should agree terms, it would create a food group worth about £2 billion.

The high level of options business is continuing to stimulate the share price of Rio Tinto-Zinc, the mining finance house, as the jobbers, already short of stock, attempt to keep out of trouble.

The shares have witnessed dull trading for most of the year hit by fears about the falling oil price and the weakness of the US and Australian dollar.

As recently as July, the shares were trading around 530p. But the group now appears to be over the worst. Yesterday the price surged through the 700p-mark with a jump of 25p to 717p and is

now just 73p shy of the year's high.

Shares of Blue Arrow, the services group whose interests range from employment agencies to industrial cleaning and business travel, slipped 7p to 371p after announcing its latest US acquisition.

The group is making an initial payment of \$10.7 million for Temporarys, a Washington temporary help business. If the group lives up to expectations over the next few years, the total consideration could be nearer \$30 million.

To help finance the deal, Mr Tony Berry, Blue Arrow's ambitious chairman, is asking shareholders for an extra £30 million by way of a rights issue. The terms are one-for-three at 330p.

Next, the high street fashion and home furnishings group led by Mr George Davies, will be expanding into children's wear. The company has the news at a charity fashion show at the Royal Albert Hall in aid of the NSPCC, and says it will launch the range next autumn. Its shares responded by losing a couple of pence to 232p.

Other acquisitions in the US are planned, including another employment agency business for about \$15 million. The group has forecast pretax profits of £8.2 million for the current year to October 31. That compares with £2.16 million last time.

Mr Berry is applying for Blue Arrow shares to be dealt in the US in the form of American Depositary Receipts and trading should begin in the new year.

FOREIGN EXCHANGES

Table with columns for 'OTHER STERLING RATES' and 'DOLLAR SPOT RATES'. Lists exchange rates for various countries like Argentina, Australia, Brazil, Canada, etc.

STERLING SPOT AND FORWARD RATES

Table showing Sterling spot and forward rates for various maturities (1 month, 3 months, 6 months, 12 months) for different locations like New York, London, etc.

LONDON FINANCIAL FUTURES

Table of London financial futures including Treasury Bills, Government Securities, and other instruments with their current and previous day's prices.

TRADITIONAL OPTIONS

Table of traditional options for various stocks and indices, listing last trading date and settlement price.

MONEY MARKETS AND GOLD

Table of money markets and gold prices, including rates for 1 month, 3 month, 6 month, and 12 month deposits, and gold prices in London and Europe.

RECENT ISSUES

Table of recent issues for various companies, listing the company name, issue size, and price.

LONDON TRADED OPTIONS

Large table of London traded options for various stocks, listing the stock name, option type, and price.

At Gold Fields investments start to pay off

From the Statement by Rudolph Agnew, Chairman

A sparkling performance by ARC and solid progress by most of our mining interests.

The potential growth of Gold Fields of South Africa is immense. I hope that a sensible, peaceful route can be found to power sharing and that Gold Fields can continue to play its part in the long term development of the Republic.

Over the last five years ARC has spent £180 million acquiring reserves and expanding production. During the same period Gold Fields Mining Corporation has discovered 4.5 million ounces of gold and should produce some 9 tons annually by 1988.

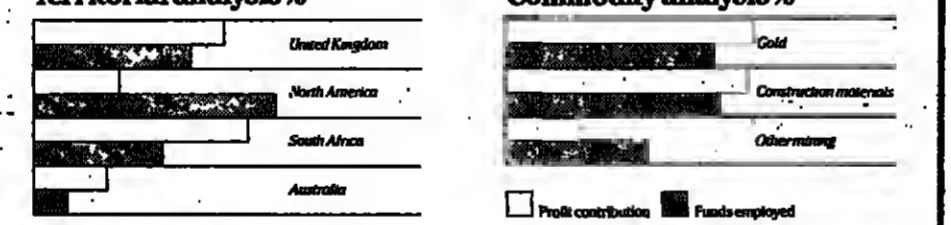
The Newmont copper problem has disguised impressive progress on other fronts. Newmont Gold expects to produce in excess of 20 tons of gold per annum within this decade. The Company is also well placed to develop its direct oil and gas interests and, through Peabody, coal.

The development of our operations should lead to a substantial improvement in our financial fortunes. I hope that this will be the last year of a maintained dividend.

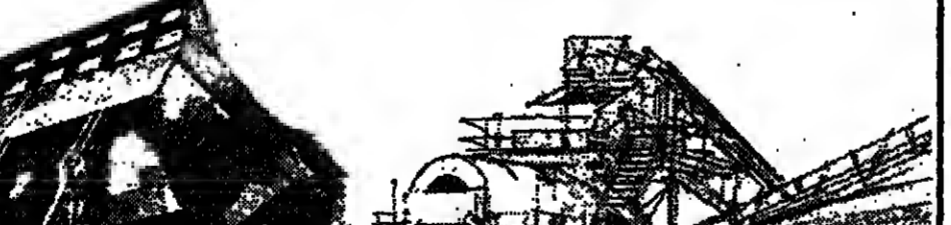
Key Results from the Accounts

Table showing key results from the accounts for 1986 and 1985, including Beneficial interest in Group sales, Profit before interest and tax, Profit before tax, Profit attributable to shareholders, Earnings, Dividends, Net assets, and Return on funds employed.

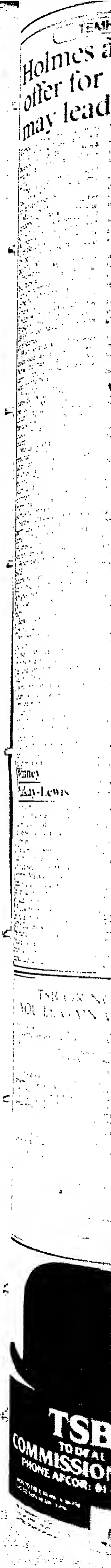
Territorial analysis %



Commodity analysis %



Consolidated Gold Fields PLC, 31 Charles II Street, St. James's Square, London SW1Y 4AG. Includes contact information for the Registrar and Bank PLC.





TEMPUS

# Holmes à Court's offer for Morgan may lead to a bid

Tender offers, as platforms for launching bids, are rare beasts in the British stock market and have a tendency to fall.

The Government offered to buy Rio Tinto-Zinc's offer for Enterprise Oil.

More recently, off-market tenders by Berkeley House Group to buy 18.8 per cent of Authority Investments and C H Beazer's tender offer for 25 per cent of SGB Group both failed.

However, Mr Robert Holmes à Court, an Australian entrepreneur, is not one to be put off by the failures of others. His success Down Under with a tender offer for Broken Hill Proprietary (BHP) must have given him confidence.

His first attack on BHP was dismissed as a crazy joke. Now, he has nearly 30 per cent of the company and a seat on the board.

His offer, through his company Bell Resources, for 29.9 per cent of Morgan Crucible at up to 320p, therefore must be taken seriously. Not seriously enough, however, to accept it.

Morgan's share price has reached 317p this year, admittedly helped by Mr Holmes à Court's steady buying. The premium for such a large chunk of the company - 16.5 per cent more than he owns - looks somewhat mean.

Safety clauses are not permitted in on-market tenders. This prevents Mr Holmes à Court from giving shareholders any comfort.

When Beazer tendered for SGB Group, it promised the accepting shareholders a top-up if it bid for the company at a higher level in the next year or if it sold its stake to a third party.

Berkeley also offered top-ups in certain circumstances.

Mr Holmes à Court has indicated he might launch a full bid for Morgan after three months. Shareholders should wait and see if he does and what he offers.

Although the failure of the tender would cause short-term share price weakness, Morgan should make taxable profits this year of £25 million, giving a prospective rating of 15 on shares down 8p at 303p yesterday. The rating is justified by the fundamentals alone.

### Whinney

The growth of London as one of the world's major financial centres has produced profitable spin-offs for a variety of businesses.

The latest to benefit and to cash in with a trip to the Unlisted Securities Market is Whinney Mackay-Lewis, the architectural designer, with an enviable list of blue-blooded clients.

Following to the footsteps of the architectural practice of D Y Davies, which came to the market in April, Whinney Mackay is placing 1.6 million shares at 160p each to give a market capitalization of £7.2 million.

### Mackay-Lewis

The group has 37 Austin Reed of Regent Street outlets, five of which are in London. Virtually all include Options, selling tailored women's clothes and Cue, catering for younger men.

Retail expansion will take the form of obtaining concessions in department stores in Britain and Europe. Ideally, they will be in places which would not otherwise justify a free standing outlet. A pilot unit has been opened at Selfridges in London.

The second half is more important as winter clothes carry higher ticket prices and business increases in the run-up to Christmas. This year profits should move up towards £6 million (earnings per share 13.5p).

The share rating reflects the fact that the business is half way between two sectors. They are cheap for the stores sector but expensive textile shares.

The non-voting "A" shares yesterday rose 5p to 151p, as analysts welcomed the results. However, it is hard to see the shares do much more than hold their own.

# Fiat deal with Japan unlikely

By Anne Warden

Fiat Auto, one of Europe's most successful car makers, this week frowned on the idea of car manufacturing deals with Japanese producers, even as 12 of the parent group's managers, led by Signor Umberto Agnelli, the vice-chairman, wooed Japanese financiers at a two-day presentation in Tokyo which began on Tuesday.

Dr Gregorio Rampa, a senior assistant to Signor Vittorio Ghidella, the chief of Fiat Auto, said of the manufacturing agreements: "We don't think it is a good idea to encourage the Japanese to invest in Europe."

Dr Rampa, director of industrial policy at Fiat Auto, said that funds for future Fiat car projects, such as the "Type 2" to be launched in 1988, would come from the company's earnings.

Last month Fiat announced pretax profits for the first half of \$7.17 billion (£5.04 billion). This doubles the figure for the same period last year.

Dr Rampa said agreements such as the British Rover Group with Honda to develop replacements for the Maestro and Rover 200, were "not a way to defend the English automobile industry."

He added that Fiat had no plans to introduce car production in Britain because such a move would not be profitable.

# £30m Blue Arrow cash call for US expansion

By John Bell City Editor



Tony Berry, aiming for a top ten ranking in the US

It took Tony Berry just two years to develop his Blue Arrow group from a modest entrant to the Unlisted Securities Market to the largest employment agency in Britain via an agreed merger with Brook Street Bureau.

Now Mr Berry has established a solid base in the US where he reckons the prospects are even better. To fund the expansion he is calling on shareholders for £30 million by way of a one-for-three rights issue.

After 12 months' research and analysis of more than 100 companies Blue Arrow announced last month that it had bought Positions, a Boston-based agency specializing in permanent staff placements.

Yesterday Mr Berry told shareholders that stage two of his American strategy had been achieved and that a third acquisition was expected shortly.

Yesterday's move involved the conditional purchase of the Washington-based

Temporaries for a down payment of \$10.7 million and further profit-related instalments of up to \$21 million (£14.7 million) over the next two years.

All being well a third US company in the temporary helpers' field will join the group before the end of the year.

Blue Arrow's progress has been electrifying since it was brought to the USM by Phillips & Drew, the stockbrokers, in 1984.

Then capitalized at just over £3 million Blue Arrow forecast profits of £350,000. Now capitalized at £100 million, Blue Arrow yesterday promised shareholders that in the year to the end of this month profits would be not less than £8.2 million.

Analysts are expecting £14 million next year as the full benefits of the earlier acquisition come through. Their forecasts exclude the US acquisitions.

Mr Berry is, however, at pains to stress that his management team has rapidly improved the returns from the companies which have been acquired.

Blue Arrow has restructured its senior management with the creation of a four-man main board responsible for corporate policy and two subsidiary boards taking care of the UK and US operations separately.

The forecast profit of £8.2 million for the current year represents a near quadrupling of the previous year's pretax income. The board promises shareholders a final dividend of 1.4p net, making a total for the year of 2.0p which is 67 per cent higher than in 1985.

The one-for-three rights issue has been pitched at a price of 330p. Blue Arrow shares fell 7p to 371p on the news.

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED (Incorporated in Canada)		
PRELIMINARY EARNINGS ANNOUNCEMENT Audited results for the year to 30th June 1986 (All funds expressed in Canadian Dollars)		
	1985/86	1984/85
Turnover	\$84,822,957	\$82,155,896
Pre-tax Earnings from Operations	\$ 6,078,036	\$ 7,530,452
Investment and Other Income	\$ 7,915,195	7,677,212
	13,993,230	15,207,664
Taxation	2,082,378	2,720,594
Earnings after Taxation	11,900,852	12,487,070
Less: Minority Interests	248,705	289,449
	11,652,147	12,197,621
Gain on Sale of Marketable Securities	3,925,797	252,101
Realised Foreign Currency Gains	15,094,914	747,795
	30,672,858	13,197,517
Provision for Regular Dividend	5,976,582	5,625,000
Provision for Extra Dividend	878,906	-
	C\$23,817,380	C\$ 7,572,517

The Directors today declared a regular dividend on the 17,578,125 Common Shares N.P.V. payable to Shareholders registered at the close of business on 21st November 1986 at the rate of 34 cents (Canadian) per share. The comparative figure for 1985 was 32 cents per share.

In addition, being the Twenty-fifth Anniversary of the Corporation, the Directors have declared an Extra (Special) Dividend of 5 cents (Canadian) per share. The payment date for both dividends is 19th December 1986.

The Annual Report and Accounts for the year ended 30th June 1986, together with the Notice of the Twenty-fifth Annual Meeting will be posted to Shareholders on the 31st October 1986 with the usual press announcements appearing the same day. The Twenty-fifth Annual Meeting will be held on 2nd December 1986. Full details will be circulated with the Notice of the Meeting.

By Order of the Board, M. C. Johnston, O.C., Director and Secretary.

9th October 1986  
P.O. Box 7289, Postal Station W,  
Saint John, New Brunswick, CANADA E2L 4S6.

# After the TSB lottery, some good news for the runners up.

(If you leave your money and interest to compound for a year that's equivalent to 7.40%.)  
More importantly, though, your money is instantly available.

You can simply withdraw cash from one of our Cashpoint machines or use the cheque book that we provide.

If you're looking to sink a little of your savings into the British Gas flotation this will be particularly useful.

Especially since your money won't stop earning interest until your cheque is cashed. (If it's returned, you'll lose nothing at all.)

From 27th October you'll also be able to make use of Lloyds Bank Sharedeal.

You can buy or sell shares at a fixed rate of commission in any of our 2200 branches.

You can take advice from our brokers free of charge. And you won't be restricted to the usual minimum deposit of £2500 when you open the account.

If you would like more information, call in at your local Lloyds Bank branch.

You'll find it's not just the TSB who like to say "yes".



Over the next few days, nearly five million people will receive bad tidings from the TSB. Some will be sent only a fraction of the shares that they asked for. Millions more will get nothing at all. Either way, you could suddenly find yourself with a lot of spare cash looking for a home. At Lloyds Bank we would like to offer a suggestion. Put your money into our High Interest Cheque Account. As the name suggests it pays a very healthy rate of interest. Currently 7.20%\* net p.a. on balances over £2500, payable every quarter.

### TSB OR NO TSB YOU'LL GAIN WITH L&Y

IF YOU WERE LUCKY... should you sell or hold your TSB? For advice just ring Lancashire & Yorkshire's TSB Hotline on 01-377 2727.

IF YOU DO SELL... we offer a special 25% discount on our normal dealing commission.

OFFER CLOSES 20TH OCTOBER.

EITHER WAY - SELL OR HOLD... why not use your shares or proceeds to open an L&Y Prestige Portfolio? For the first time ever, we will create - and manage - a personal portfolio of shares for clients with only £2,000 to £4,999 to invest. And we'll have the first year's annual management fee. For clients investing over £5,000 we'll eliminate our first year fees entirely!

OFFERS CLOSE 30TH OCTOBER

IF YOU WERE UNLUCKY... why not use your returned cheque to open an L&Y Prestige Portfolio? The above special terms will still apply.

RING L&Y'S TSB HOTLINE ON 01-377 2727 NOW!

LANCASHIRE & YORKSHIRE  
PORTFOLIO MANAGERS

52-54 Artillery Lane, London E1 7LS  
Telephone: 01-377 2727

# TSB TO DEAL COMMISSION FREE

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MON TO FRI 8.30 AM - 8.30 PM  
SAT TO SUN 10 AM - 3 PM

AFCOR  
The prime investment dealer

A THOROUGHbred AMONGST BANKS.

\*If your balance drops below £2500, a lower rate of interest will be paid. The High Interest Cheque Account is available from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS. The interest rates shown are the annual rates of interest paid net of basic rate tax. The rates may vary.

Sarah Hemmings



THE TIMES UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, organized into columns for various fund categories like 'ASSET MANAGEMENT', 'INTERNATIONAL INVESTMENT', 'UK INVESTMENT', etc. Each entry includes fund name, price, and performance metrics.

UNLISTED SECURITIES

Table listing unlisted securities with columns for company name, price, and other financial details.

INVESTMENT TRUSTS

Table listing investment trusts with columns for trust name, price, and performance metrics.

COMMODITIES

Table listing commodity prices for various goods like copper, oil, and wheat.





STOCK EXCHANGE PRICES

Equities recover their poise

ACCOUNT DAYS: Dealings began on September 29. Dealings end today. Contango day on Monday. Settlement day October 20. Forward bargains are permitted on two previous business days.

Portfolio Gold - From your portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright or a share of the total daily prize money stated. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

Portfolio Gold - Daily Dividend £4,000. Claims required for +50 points. Claimants should ring 0254-53272.

Table with columns: No., Company, Group, Cash or Div. Lists various companies like Bovril, Coals Vindalaya, Taylor Woodrow, etc.

Weekly Dividend table with columns: Dividend, Dividend Yield, Dividend Payout Ratio.

BRITISH FUNDS table with columns: High/Low Stock, Price, Change, Dividend Yield, PE Ratio.

FIVE TO FIFTEEN YEARS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

OVER FIFTEEN YEARS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

UNDATED table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

BANKS DISCOUNT HP table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

ELECTRICALS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

BREWERIES table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

BUILDINGS AND ROADS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

FINANCE AND LAND table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

FOODS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

CHEMICALS, PLASTICS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

CINEMAS AND TV table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

DRAPERY AND STORES table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

INDUSTRIALS A-D table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

INDUSTRIALS E-K table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

INDUSTRIALS L-R table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

INDUSTRIALS M-Z table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

INSURANCE table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

LEISURE table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

MINING table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

MOTORS AND AIRCRAFT table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

SHIPPING table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

SHOES AND LEATHER table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

TEXTILES table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

NEWSPAPERS AND PUBLISHERS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

OIL table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

TOBACCO table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

OVERSEAS TRADERS table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

PAPER, PRINTING, ADVERT table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

PROPERTY table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.

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PROPERTY table with columns: No., Company, Price, Change, Dividend Yield, PE Ratio.



YOUR OWN BUSINESS

FOCUS ON FRANCHISE

CUMMINS & CO SOLICITORS
14 years of practical experience in Franchising, acting for Franchisors and Franchisees.
Contact Steve Cummins or Mark Copping on 0753 850661.

Tighter rules for franchisors

By Derek Harris
The British Franchise Association (BFA) made body for one of the fastest-growing sectors in British business, is likely to tighten its rules soon in the wake of recent franchising failures.

Jobs bloom in the garden city

By Ron Vincent
Letchworth in Hertfordshire, the world's first garden city, is planning more help for new businesses by setting up a 75-acre business park.

MASTER LICENCE RIGHTS
A number of master licence rights are now available from successful U.S.A. franchise companies...

Clean-up with Sketchley franchise wise.

If you're thinking of going into business, a Sketchley dry cleaning and shoe repair franchise is the wise one you can really clean-up with.

YOUR OWN BUSINESS IN MOTOR WORKSHOP SUPPLIES
GOOD POTENTIAL EARNINGS
MODERATE INVESTMENT - FINANCE AVAILABLE

THE UNITED KINGDOM FRANCHISE DIRECTORY
The one publication with all the information you need to know on Franchising.

PASSport to SUCCESS UK

PASS & CO have over 25 years of success in the treatment of Woodworm, Dry Rot and Rising Damp.

MR FRIDAY



Joint trading gets marketing boost

The creation of marketing co-operatives to achieve joint trading by small firms in the same line of business is set for a big boost from the Co-operative Development Agency.

CONSIDERING FRANCHISING?

Europe's largest & most progressive franchise development organisation offers owners of successful businesses...

BE YOUR OWN BOSS

JOIN THE OPTICAL BOSS
We are looking for suitable candidates to operate Crown Optical Centres which are currently opening throughout the U.K.

MAHON, MENORCA
Elegant town house, 30 seater restaurant, Centre Mahon, Menorca, Spain with spacious living accommodation.

WEST END CAMERA SHOP
Prime position, established 25 years. 170,000 per year sales.

COSMETICS/BEAUTY
Healthy retail business for sale. Turnover 150,000 per year.

PORTSMOUTH Small manufacturing and wholesaling business. Genuine reason for sale.

HITCHIN AREA
Rotary compressors (or vacuum pumps) Hitchin area. 7/0 £200,000, old established, good product reputation.

SMALL SEED COMPANY
Currently on by husband & wife team. Turnover in last financial year £14,000.

COMFORTABLE 3 bedroom house
3 bedrooms, 2 bathrooms, 2 living areas, 1 kitchen, 1 garage, 1 driveway, 1 lawn, 1 garden.

BUSINESS TO BUSINESS

MATURE MANAGEMENT OPPORTUNITY
AVAILABLE FOR SUITABLE APPLICANTS SUBSTANTIAL INCOME GENERATED IN FIRST YEAR.

TELEX AND FACSIMILE
WHAT IS YOUR TELEX NUMBER? WHAT IS YOUR FAX NUMBER?

SWISS CHEMICAL COMPANY
is looking for distributors for its consumer-industrial products to be marketed in Great Britain.

PROMOTIONAL UMBRELLAS
Establishing Golf Umbrella printed and personalized with your Company name and logo.

UNIQUE OPPORTUNITY
We seek 60 distributors in total throughout the UK to market our range of health and beauty products.

COMPLETE TELEX SYSTEM - £899 + VAT
PORTEX is a portable/telex system complete with full sized keyboard and printer ready for use.

YOUR OWN BUSINESS IN SECURITY
No Franchise Fee
We are looking for full or part-time security agents in all areas to meet the growing demand for security services.

URGENT
Small Liverpool man. co. looking for sales outlets in SE for antique type recording machines, mirrors, gdn products & pergolas.

EDUCATIONAL CONSULTANTS
We recruit consultants to offer to our direct mail products. They must be: 1. Excellent sales to the customer. 2. Good profit margins for us. 3. Capable of directing through the post.

LOANS & INVESTMENT
SOUTH AFRICAN CURRENCY
purchased. We give 10% higher rate than main banks.

RESTAURANT
Well situated restaurant with 40 covers in W1 area available for sale. Well equipped 150 seats from Marble Arch with 1000 sq ft. 2nd floor. 2nd floor. 2nd floor.

INVESTOR REQUIRED
for lucrative free range egg production unit, no physical work involved, capital backing in one year 4-50%.

NEED A BUSINESS PARTNER?
Recently retired businessman with wide international business contacts seeking a partner to take over a part of his business and to participate in its development.

WORKING PARTNERS
with capital required for established retail fine art gallery, wish to expand nationwide - write for further details to: The Quay Gallery, The Quay, Poole, Dorset.

RESTAURANT
Well situated restaurant with 40 covers in W1 area available for sale. Well equipped 150 seats from Marble Arch with 1000 sq ft. 2nd floor. 2nd floor. 2nd floor.

PROPERTY DEVELOPMENT
We are looking for investors to fund the development of a large residential estate in the South East of England.

GENERAL
THE SUPERIOR PACKAGE
A FULL COLOUR PROMOTIONAL LEAFLET FROM £160 INTERESTED?
For a SUPERIOR DEAL contact JAMES on 0225 704311

GENERAL
BUSINESS FOR SALE
HITCHIN AREA
Rotary compressors (or vacuum pumps) Hitchin area. 7/0 £200,000, old established, good product reputation.

GENERAL
SMALL SEED COMPANY
Currently on by husband & wife team. Turnover in last financial year £14,000.

GENERAL
COMFORTABLE 3 bedroom house
3 bedrooms, 2 bathrooms, 2 living areas, 1 kitchen, 1 garage, 1 driveway, 1 lawn, 1 garden.

GENERAL
COMPANY director, dynamic, hard working, honest, age 40, Sales, marketing, credit, multi-industry with a future, well established, 100% owned, 100% profit, 100% control, 100% investment, 100% return, 100% satisfaction, 100% success, 100% happiness, 100% love, 100% life.

GENERAL
WANTED: 100% owned, 100% profit, 100% control, 100% investment, 100% return, 100% satisfaction, 100% success, 100% happiness, 100% love, 100% life.

BAK

KEY INFO

WANTED: 100% owned, 100% profit, 100% control, 100% investment, 100% return, 100% satisfaction, 100% success, 100% happiness, 100% love, 100% life.



A copy of this document, which comprises Listing Particulars with regard to the Company together with its subsidiaries in accordance with The Stock Exchange (Listing) Regulations 1984, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 7(5) of those Regulations. Application has been made to the Council of The Stock Exchange for the Ordinary shares to be admitted to the Official List.

# BAKER HARRIS SAUNDERS GROUP plc

(Incorporated in England under the Companies Act 1985 No. 2038819)

## Offer for Sale by Tender by Rowe & Pitman Ltd.

of 2,500,000 Ordinary shares of 10p each at a minimum tender price of 150p per share, the price tendered being payable in full on application

### SHARE CAPITAL

Authorised (Following Offer for Sale) Issued and now being issued fully paid

£1,250,000	Ordinary shares of 10p each	£1,000,000
------------	-----------------------------	------------

The Ordinary shares now being offered for sale will rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

### INDEBTEDNESS

At the close of business on 24th September, 1986, the Group had hire and lease purchase commitments totalling £246,218. Save as aforesaid and apart from intra-Group liabilities, the Group did not have, at that date, any loan capital (including term loans) outstanding or created, but unissued, or any outstanding mortgages, charges or other indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

### DEFINITIONS

the "Company" means Baker Harris Saunders Group plc  
the "Group" means the Company and its subsidiaries  
"Baker Harris Saunders" or the "firm" means any or all, as the context may require, of the partnership of Baker Harris from 1976 to 1977, the partnership of Baker Harris Saunders from 1977 to 1st May, 1986 and Baker Harris Saunders Limited thereafter.

### KEY INFORMATION

The following information should be read in conjunction with the full text of this document.

#### Business

Baker Harris Saunders is a specialist firm of commercial estate agents and property advisers which has become established as one of the leading firms in this field in the City of London. The firm is principally involved in the office agency market, also providing development and leasing advice and complementary professional services.

### Trading Record

The trading record of Baker Harris Saunders for the five accounting periods ended 30th April, 1986, as derived from the Accountants' Report, is set out below.

	17 months ended 30th April 1986	Years Ended 30th April			
	1985	1984	1983	1982	1981
Turnover	1,054	857	1,229	1,780	2,851
Profit before taxation	232	99	222	668	800
Taxation	(124)	(50)	(183)	(272)	(349)
Profit after taxation	108	49	137	296	451
Earnings per share	1.3p	0.6p	1.4p	3.5p	5.5p

### Profit Forecast

The Directors forecast that, in the absence of unforeseen circumstances, the profit before taxation of the Group for the year ending 30th April, 1987, on the basis and the assumptions set out in "Information Relating to the Profit Forecast" will be not less than £1,600,000.

### Offer for Sale Statistics (Note 1)

Minimum tender price	150p
Ordinary shares in issue after the Offer for Sale	10,000,000
Market capitalisation	£15 million

### Forecast earnings per Ordinary share (Note 2)

Forecast earnings per Ordinary share of 38 pence.  
— after anticipated tax charge of 38 per cent.  
Forecast price earnings multiple 14 times  
— after anticipated tax charge of 38 per cent.  
Notional gross dividend yield (Note 3) 9.7 per cent.  
Net cash proceeds of the Offer for Sale for the Company £178 million.

### DIRECTORS, SECRETARY & ADVISERS

Directors: Richard Saunders FRICS (Chairman), Simon Peter Harris (Deputy Chairman), Michael Peter Lawson FRICS (Chief Executive), Jonathan Blake FRICS, Nicholas Gordon FRICS, Richard Alexander FRICS, William Guy FRICS, all of Blackwell House, Guildhall Yard, London EC2V 5AB.

### Secretary and Registered Office

Jack Reginald Wynne Luton A.C.A. Blackwell House, Guildhall Yard, London EC2V 5AB.

### Shareholders and Sponsors to the Offer for Sale

Rowe & Pitman Ltd. 1 Finsbury Avenue, London EC2M 2EA.

### Auditors and Reporting Accountants

Robson Rhodes Chartered Accountants 185 City Road, London EC1V 2NU.

### Solicitors to the Company

Ashurst Morris Crisp Broadgate House 7 Eldon Street, London EC2M 7HD.

### Solicitors to the Offer for Sale

Slaughter and May 25 Abchurch Lane, London EC4N 3DB.

### Bankers

National Westminster Bank PLC 94 Moorgate, London EC2M 6XT.

### Receiving Bankers

National Westminster Bank PLC New Estates Department P.O. Box 79, 2 Finsbury Street, London EC2A 2BD.

### Registrars and Transfer Office

National Westminster Bank PLC Registrar's Department P.O. Box 82, 37 Broad Street, Bristol BS9 7NH.

### INTRODUCTION

Baker Harris Saunders is a specialist firm of commercial estate agents and property advisers which has become established as one of the leading firms in this field in the City of London. The firm is principally involved in the office agency market, also providing development and leasing advice and complementary professional services.

### BACKGROUND

In 1976, Michael Baker and Simon Harris formed the partnership of Baker Harris and were joined the following year by Richard Saunders, when the firm's name was changed to Baker Harris Saunders. The partnership was expanded in 1981 to include Nicholas Saunders, Richard Harris and Jonathan Edwards, and again when William Peck joined the firm in 1984.

### Specialisation and expertise in the City letting market enabled Baker Harris Saunders to establish close links with many of the better known property companies and investment institutions. By the end of 1981, the firm had achieved notable success through its involvement as agents in the sale of the newly developed Milton House and Shire House in Chiswell Street, EC2 (440,000 square feet) to BP for £98 million, which, at that time, was the largest single open market property transaction in the United Kingdom. This was followed by the redevelopment of Cutlers Gardens, Devonshire Square, EC2, where Baker Harris Saunders was one of the joint agents handling the successful letting of 500,000 square feet between 1982 and 1984.

### Professional work has always formed an important part of agency business. Operating in earlier years as a service business, professional work has developed considerably, generating new business independently of agency instructions.

### In 1988 Baker Harris Saunders set up its Research department, which enabled the firm to undertake specific projects on behalf of clients in support of its agency activities, as well as general market reports and surveys. The best known of these are the "Baker Harris Saunders City Development Survey", which is regarded as one of the most comprehensive studies of its kind available in the City office development market, and the "City Development Review".

### The Directors believe in offering personal service at a senior level at all times. Coupled with their policy of specialisation, they consider that this philosophy has been, and will continue to be, a significant factor in the growth of the firm.

### In anticipation of the Stock Exchange flotation, the business was transferred on 1st May, 1986 to Baker Harris Saunders Limited which became a subsidiary of the Company on 18th September, 1986.

### THE BUSINESS

The business of Baker Harris Saunders is divided into three fee-earning departments: Agency, Professional and Management, all of which are supported by the Research department.

### Agency

This department carries on the traditional role of a commercial estate agent and provides clients with advice and assistance in processing their property transactions. Advice is provided in four principal areas as follows:

- Development: The firm researches, negotiates and advises clients on the acquisition or sale of properties either for redevelopment or refurbishment supported by financial appraisals, valuations and design advice on the specification and form of proposed schemes. It also handles the marketing of sites for development and advises on the provision of interim or long term development funding.
- Disposal: Clients are advised on the letting of both existing and newly developed office floor space. This includes the presenting of developments in the course of construction, assignments of existing leases and sales of freehold properties. The firm also provides specialist marketing advice and negotiates with prospective tenants and purchasers.
- Acquisition: Acquisition work involves finding and negotiating the acquisition of office space for clients, having regard to the particular requirements of their business, including, in the case of leaseholds, detailed advice on the proposed lease and rental terms. The existing market allows the firm to contribute specific design advice on particular projects on behalf of tenants.
- Investment: Advice is provided on the sale and purchase of investment properties on behalf of institutional and property company clients.

### Professional

This department advises clients on a range of matters associated with the ownership or occupation of commercial property, including advising landlords or tenants on lease renewals and rent reviews, advising clients on the level of rates payable on commercial property (including negotiating proposed rating assessments) and providing rental or capital valuations for leasehold and freehold commercial property.

The Directors believe that this work provides scope for expansion, particularly rent review and rating work flowing from acquisitions or lettings negotiated on behalf of clients in earlier years.

### Management

This department manages commercial premises on behalf of landlords and occupiers. This includes the collection of rents and service charges, the administration of building services and financial accounting on-service charge payments. Advice is also offered on the practical aspects of building design.

The Directors are looking to broaden the spread of the firm's management instructions, concentrating on profitable new developments and widening the geographical area of properties managed.

### Research

This department undertakes market research and analysis relating to the City property market, monitoring the supply and demand of office space and planned developments and commenting on rental trends, take-up and the likely effect on the property market of changes in tenants' requirements, technology and planning policy.

Market reports and surveys are published and specific research projects undertaken. The projects provide support for agency work, particularly in relation to office space, monitoring the supply and demand of office space, and acquisitions, where demographic or other studies are undertaken, and investment sales, where research data is required to support market trends.

### Fee Income

An analysis of fee income between the fee-earning departments for the last three financial years ended on 30th April, 1986 is as follows:

	Years ended 30th April		
	1984	1985	1986
Agency	£200	£200	£200
Professional	843	1,352	1,837
Management	248	293	325
Total	1,291	1,785	2,362

### Agency fees are negotiated individually for each instruction and vary with the nature and terms of appointment. The firm often operates on a joint agency basis, in which case the total fee is generally higher than that for single agency instructions, and is normally shared equally by the joint agents, irrespective of which firm achieves the letting.

Typically, development acquisitions generate fees of between 1/2 and 1 per cent of the purchase price, whilst fees for development advice are often merged with the letting fee or charged separately. Letting and acquisition survey normally generates fees of between 3 and 10 per cent of the agreed annual rent, although fixed fees are charged where appropriate.

Income from professional work comes largely from a mixture of fixed, percentage and success related fees. Rent reviews and lease renewals are typically charged at between 5 and 7 1/2 per cent of the agreed annual rent, with the exception of fixed fees for large instructions. Valuation fees are often 1/2 per cent of the capital value, and rating advice one half of the first year's saving in rates payable.

Management fees are normally charged at 12 1/2 per cent of total service charges. Alternatively an agreed fixed fee may be charged.

### CLIENTS

The firm has established strong links with most of the major development companies who have a significant presence in the City and, whilst in recent years a substantial proportion of the firm's income has been derived from a small number of these companies, the business generated from any one client has usually come from a number of separate instructions.

Nevertheless, as the market has grown, the firm has broadened its client base and in the year ended 30th April, 1986 acted on a total of 212 separate agency and professional instructions for 96 clients.

The following is a list of some of the major clients for whom the firm has acted, or is currently acting, as joint or single agents on the properties detailed below—

- Landlords**
  - Chew: Britannia Investments PLC (part of the Granada Group PLC)
  - City Acre Property Investment Trust Limited
  - Commercial Union Assurance Co. plc
  - Eagle Star Property Management Limited
  - Electricity Supply Nominees Ltd
  - Goldquill Limited (a company at the time jointly owned by Withnail & Company PLC and Trafalgar House PLC)
  - Greycoat Group PLC
  - The Hammerson Group plc
  - Land Securities PLC
  - MEPC plc
  - New College, Oxford
  - Norwich Union Life Assurance Society
  - Patemoster Consortium led by Stockley plc
  - Rosehaugh Greycoat Estates Plc
  - The Standard Life Assurance Company
  - St. Martin's Property Corporation
  - Wates City of London Properties plc
  - Wimpey Property Holdings Limited
- Tenants**
  - Allied Irish Banks plc
  - Barclays Bank PLC
  - The Bowling Group
  - E.D. & F. Man Ltd.
  - Robert Fleming & Co Limited
  - First Interstate Bank of California and First Interstate Capital Markets Limited
  - Herbert Smith
  - The London Life Association Limited
  - National Westminster Bank PLC
  - Shenau Lehman Brothers, including L. Messel & Co.
  - The Post Office
  - Schroder Securities Group
  - de Zoete & Bevan
- Investment**
  - Milton House North, EC2 (Site of Ropemaker Place), 185,000 sq ft. Selling Agents
  - 1 Poultry, EC2
  - Development Consultants (Current)
  - Pembroke House, EC1
  - 40,000 sq ft. Letting Agents
  - 125 Wood Street, EC2
  - 45,000 sq ft. Development Consultants and Letting Agents (Current)
  - 6/8 Bethopgasse, EC2
  - 150,000 sq ft. Rent Review
  - Milton House and Shire House, Chiswell Street, EC2
  - 440,000 sq ft. Development Consultants and Selling Agents
  - Luxens House, Finsbury Circus, EC2
  - 190,000 sq ft. Development Consultants and Letting Agents (Current)
  - Woolgate House, Coleman Street, EC2
  - 280,000 sq ft. Rent Review
  - 50 Ludgate Hill, EC4
  - 133,000 sq ft.
  - 26 Old Bailey, EC4
  - 65,000 sq ft. Letting Agents
  - Alban Gate, London Wall, EC2
  - 325,000 sq ft. Development Consultants and Letting Agents (Current)
  - 82/85 Fenchurch Street, EC3
  - 89,000 sq ft. Development Consultants
  - 5 Old Bailey, EC4
  - 60,000 sq ft. Letting Agents
  - Patemoster Square, EC4
  - 300,000 sq ft. Managing Agents (Current)
  - 1, 2 & 3 Finsbury Avenue, EC2
  - 425,000 sq ft. Development Consultants and Letting Agents (Current)
  - Cutlers Gardens, EC2
  - 500,000 sq ft. Letting Agents
  - London Bridge City, SE1
  - Phase 1 - 800,000 sq ft. Development Consultants and Letting Agents (Current)
  - City Tower, 40 Basinghall Street, EC2
  - 180,000 sq ft. Development Consultants and Letting Agents
  - Linda Basin, EC1
  - 270,000 sq ft. Development Consultants and Letting Agents (Current)
  - 12 Old Jewry, EC2
  - 19,000 sq ft. Acquisition
  - Juxon House, St Paul's Churchyard, EC4
  - 88,000 sq ft. Rent Review
  - Opeshaw House, EC2
  - 47,000 sq ft. Acquisition (Current)
  - Sugar Quay, EC3
  - 100,000 sq ft. Rent Review
  - B Crosby Square, EC3
  - 40,000 sq ft. Disposal
  - 6 Agar Street, Strand, WC2
  - 47,000 sq ft. Acquisition
  - 20 Cannon Street, EC4
  - 40,000 sq ft. Management (Current)
  - 80 Coleman Street, EC2
  - 14,000 sq ft. Disposal of Freehold
  - 215 Bethopgasse, EC2
  - 27,000 sq ft. Acquisition of Freehold and Subletting of part
  - Goodmans Fields, 74 Alle Street, E1
  - 436,500 sq ft. Raising
  - Broadgate, EC2, Phase 2
  - 310,000 sq ft. Acquisition of European Headquarters (Current)
  - 148/165 Old Street, EC1
  - 90,000 sq ft. Freehold purchase
  - Cutlers Gardens, 9 Devonshire Square, EC2
  - 12,500 sq ft. Disposal
  - Struck Exchange Tower (part)/25 Finsbury Circus, EC2
  - 30,000 sq ft. Disposal (Current)



POSITION IN THE CITY PROPERTY MARKET

The City of London's position as one of the world's leading financial centres has historically contributed to the comparative stability of the City property market.

Increased activity in the City of London over the past few years, and the impending deregulation of the financial markets, has resulted in a vigorous letting market. Office design is increasingly being influenced by the requirements of tenants who now show a greater willingness to relocate to the fringe areas immediately adjoining the City of London.

The Directors consider that the City's dominant position as a world financial centre will continue to sustain the strength of the market.

There are some 60 firms of commercial estate agents involved in the City letting market and, in the Directors' opinion, there are about 12 firms in a dominant position. The annual rate of lettings has doubled since 1982 and in the year ended 30th April, 1986 approximately 4 1/2 million square feet was taken up in the City letting market.

The firm has already been instructed as joint or single letting agent on a number of transactions which, the Directors estimate, as at 31st July, 1986, represented approximately 75 per cent. by flopping of current developments which planning applications or consents had been made or received in the City property market.

DIRECTORS AND SENIOR MANAGEMENT

The Directors are as follows:

Richard Saunders, FRICS, aged 49, is Chairman. He was a founding Partner of Baker Harris Saunders and is responsible for client liaison and professional work. He started his career in 1961 with Mellish & Harding and subsequently joined Richard Ellis in 1963, becoming a Partner in their City office in 1966.

Simon Harris, aged 38, is Deputy Chairman. He was a founding Partner of the firm and is responsible for development and agency business. He started his property career with Edward Erdos in 1971, becoming an Associate of that firm in 1974 and was subsequently involved in opening their City office in 1976.

Michael Baker, FRICS, aged 40, is Chief Executive, with particular responsibility for financial matters. He was a founding Partner of the firm and is actively involved in all aspects of the firm's business. He started his career in 1964 with Richard Ellis, leaving in 1970 to join Richard Saunders & Partners where he became a Partner in 1971.

Jonathan Edwards, BSc, FRICS, aged 37, is Managing Director. He joined the firm as a Partner in 1981 to work on the agency side of the business, and also became the Partner in charge of the firm's administration. He started his career in 1970 with Sheffield Corporation Estates Department before joining the City office of Debenham Tivison & Chinnocks in 1972.

Nicholas Buscher, FRICS, aged 36, is jointly responsible for the Agency department and is also Marketing Director responsible for client promotion and public relations. He started his career in 1974 in the development and agency departments of Richard Saunders & Partners before joining Baker Harris Saunders in 1977. He became an Associate in the firm in 1978 and a Partner in 1981.

Richard Harraby, FRICS, aged 38, is Director in charge of the firm's Professional and Management departments. He joined Baker Harris Saunders in 1978, became an Associate later that year and a Partner in 1981. He started his career in 1969 with Selous & Co and subsequently gained broad experience in commercial property with Surrey County Council between 1971 and 1973, Hamworthy Property Ltd, in 1973 and 1974 and Aragen Properties Ltd, from 1974 to 1977.

William Peach, FRICS, aged 36, is Agency Director, jointly responsible for the Agency department. He started his career in 1973 with Richard Ellis where he gained ten years' experience in their City office, becoming an Associate of that firm in 1980. He joined Baker Harris Saunders as a Partner in January, 1984.

Senior Management and Employees

Details of the Group's senior management are set out below:

Jack Loxton, ACA, aged 35, is Financial Controller and Company Secretary and joined the firm in July, 1986. He qualified as a Chartered Accountant in 1978, and worked for the Charter Consolidated Group PLC, was Deputy Financial Controller for GN (Holdings) PLC and has recently completed three and a half years as a financial consultant in New York, USA.

Roger Philipps, FRCA, FRVA, aged 39, joined the firm in 1980 and became an Associate in 1983. He was recently appointed a director of Baker Harris Saunders Limited with particular responsibility for property management. From 1966 he worked for the GLC Valuation and Estates Department, moving to Reunion Properties Company Ltd, as a senior property manager in 1972.

Malcolm Trice, BSc, ARICS, aged 28, joined the firm in 1985 to work in the Agency department and became an Associate in January, 1986. He was recently appointed a director of Baker Harris Saunders Limited, with particular responsibility for agency work. He started his career with Chestertons in 1980, and worked for five years in their City commercial office.

Stephen Fay, ARICS, aged 32, joined the firm in 1980 to work in the Agency department and became an Associate in January, 1986. He was recently appointed a director of Baker Harris Saunders Limited, with particular responsibility for development work.

The Group employs a total of 44 members of staff. The Agency department employs 17, the Management department 9, the Professional department 7, the Research department 3, whilst 8 members of staff are employed in administrative roles. 20 employees are fee-earning of whom 10 (including the Directors) are directors of Baker Harris Saunders Limited.

Membership of The Royal Institution of Chartered Surveyors

On 16th July, 1986 a special resolution was passed at an Extraordinary General Meeting of The Royal Institution of Chartered Surveyors (the "RICS") to amend the bye-laws and regulations of the RICS in order to remove certain restrictions on outside investments in companies in which members of the RICS are directors. Under the constitution of the RICS, these amendments require approval by the Privy Council before coming into effect.

If, prior to the admission of the Ordinary shares of the Company to the Official List, Privy Council approval is not forthcoming, the Directors who are members of the RICS, together with Roger Philipps, Malcolm Trice and Stephen Fay, intend to resign their membership.

The Directors do not believe that their resignation would have any significant effect on the business of the firm and expect that they would be reinstated as members of the RICS following approval of the amendments by the Privy Council.

Employee Benefits

The Directors attach considerable importance to maintaining a high degree of loyalty, morale and commitment from employees. They form an essential part of the business, providing a personal service to clients upon which the firm's reputation is based. The Directors believe that employees should be provided with the opportunity to become shareholders in the Company and thereby participate in its future growth. Accordingly, preferential consideration will be given to applications made by employees for shares in the Offer for Sale, up to a total of 250,000 Ordinary shares.

The Company has also established an executive share option scheme, under which options will be granted to senior members of staff, and a profit sharing scheme, for the benefit of all eligible employees. Further details of these schemes are set out in "Statutory and General Information" paragraph 4.

TRADING RECORD

The following table is a summary of the firm's results for the five accounting periods ended 30th April, 1986, as derived from the Accountants' Report set out in Part 2:

Table with columns for 17 months ended 30th April and Years ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Turnover, Profit before taxation, Taxation, and Profit after taxation.

In the 17 month period to 30th April, 1982, approximately 20 per cent. of the firm's income was attributable to the sale of Milton House to B.F. This, together with the extended accounting period, inflated the earnings for the period as compared to 1983. In addition, in 1983 profits were affected by the continuing poor market and the absence of major projects.

The performance of the firm since 1983 reflects the expansion of Baker Harris Saunders from essentially a development and leasing agency into a fully integrated firm offering advice on all aspects of commercial property transactions. This expansion, combined with the large increase in lettings and acquisitions in recent years and the upturn in the property market, has resulted in a broader base of earnings and consistent growth in turnover and profits.

The charge for taxation exceeds the rate of corporation tax ruling in each period mainly because of certain expenses which are disallowable for tax purposes.

CURRENT TRADING AND PROSPECTS

Current Trading: During the current financial year, the Group is forecasting total lettings of approximately 1.5 million square feet and acquisitions in excess of 400,000 square feet, for all of which instructions have already been received and, in some cases, completed. For example, in the first five months of trading, the firm has been involved in letting 540,000 square feet for St. Martins Property Corporation in London Bridge City, SE1 and 75,000 square feet for Roseburgh Greycoat Estates Plc in 5 Finsbury Avenue, EC2A.

The firm has also been appointed by Lloyd's Bank Plc to advise on the acquisition of approximately 220,000 square feet in Phase 4 of Broadgate, EC2, whilst National Westminster Bank Plc has instructed the firm to negotiate the acquisition of a new 90,000 square feet building for occupation by NatWest Investment Bank Group.

Both the Professional and Management departments are also experiencing considerable growth. Baker Harris Saunders is advising Robert Fleming & Co. Limited on the rent review for its new headquarters, 25, Cannon Avenue, EC2 and Midland Bank plc, on its rent review, at tenancy of Watling Court in Cannon Street comprising approximately 80,000 square feet. Recent management instructions include the Paternoster Square, EC4 complex of buildings, from the Paternoster Consortium led by Stockley plc, and 77 Gracechurch Street, EC3 from Continental Insurance Co. (Europe) Ltd.

Prospects

The Directors are confident that, by providing a high level of personal service to clients, they will maintain and enhance the firm's position in the expanding City property market. The current level of agency instructions, which includes a number of long term projects, is most encouraging and professional work offers particular scope for growth in the future.

The Directors also intend to work towards achieving a leading position in the property investment market, advising on traditional investment sales and purchases, development funding and the proposed unlisted property markets. The firm has not entered, and the Directors do not intend that it should enter, into any projects acting as principals.

Outside the City property market, the Directors intend to expand the firm's office agency activities to Central and West London and suitable locations close to the M25. In expanding into new geographical areas, the firm will benefit from contacts already established among its clientele in the City of London and a number of existing developer clients are already operating in these locations. The firm recently handled the acquisition on behalf of Alliance Irish Bank plc of its new 75,000 square feet Group headquarters in Ulster.

As part of any expansion programme, the Directors intend to preserve the firm's business philosophy including, in particular, its reputation for offering specialist personal advice at a senior level.

PROFIT FORECAST AND DIVIDENDS

Profit Forecast: The Directors forecast that, in the absence of unforeseen circumstances, the profit before taxation of the Group for the year ending 30th April, 1987, on the basis of the assumptions set out in Part 3, will be not less than £1,600,000.

The forecast is based on five month's management accounts and on budgets for the remaining seven months of the financial year. No account has been taken of any income arising from instructions which may be received in the remainder of the year.

On the basis of the profit forecast and an estimated tax charge of 38 per cent., the earnings for the year ending 30th April, 1987 will be not less than £992,000, equivalent to 10.7p per Ordinary share (calculated on a weighted average basis). This would represent a price earnings multiple of 14 times at the minimum tender price.

Dividends

In the absence of unforeseen circumstances, the Directors intend to recommend a final dividend in respect of the year ending 30th April, 1987, of 2.0p net per Ordinary share (equivalent to 2.6p per Ordinary share including the related tax credit at the current rate) for payment in October, 1987. If the Ordinary shares had been listed on The Stock Exchange for the whole of the year ending 30th April, 1987 the Directors would, in the absence of unforeseen circumstances, have expected to recommend dividends in respect of the year totalling 4.0p net per Ordinary share (equivalent to 5.6p per Ordinary share including the related tax credit at the current rate). Such optional dividend would have cost approximately £400,000 (net of the related Advance Corporation Tax) and would have provided a gross dividend yield, at the minimum tender price, of 3.7 per cent. which would have been covered 2.7 times by the forecast earnings of 10.7p per Ordinary share.

REASONS FOR THE OFFER FOR SALE

The Directors believe that the Company has reached a stage in its development where it is appropriate to seek a listing of its shares. This status will enhance the corporate profile of the firm amongst its existing and potential clients. The listing, together with the net proceeds of the issue and other available resources, will provide the Group with greater flexibility in financing future growth both by internal development and by acquisition and when suitable opportunities arise. The Directors have no present intention of making any specific acquisition.

Of the 2,500,000 Ordinary shares which are being offered for sale, 1,005,248 are being sold by the proportionate holders of the issued capital of Baker Harris Saunders Limited ("BHS"). On 30th September, 1986 the Company changed its name and was re-registered as a public limited company. Apart from a balance sheet drawn up for the purposes of re-registration, no financial statements have been made up by the Company and no dividends have been paid. On 1st May, 1986 the partners of Baker Harris Saunders ("the Partnership") assigned to BHS, by way of gift, the goodwill, interest and connection of the partners in the Partnership business together with the benefit of any contracts of the Partnership business and all the issued share capital of Bahasa Service Company Limited ("Bahasa"). Bahasa thus became a wholly owned subsidiary of BHS.

ACCOUNTANTS' REPORT

The following is a copy of a report to the Directors and to Rowe & Pitman Ltd, prepared by Robson Rhodes, Chartered Accountants.

The Directors, Baker Harris Saunders Group plc, Blackwell House, Guildhall Yard, London, EC2V 5AB.

The Directors, Rowe & Pitman Ltd, 1 Finsbury Avenue, London, EC2M 2FA, Gentlemen,

Baker Harris Saunders Group plc ("the Company") was incorporated under the name Offshore Limited on 3rd July, 1986. On 18th September, 1986 the Company acquired the whole of the issued capital of Baker Harris Saunders Limited ("BHS"). On 30th September, 1986 the Company changed its name and was re-registered as a public limited company. Apart from a balance sheet drawn up for the purposes of re-registration, no financial statements have been made up by the Company and no dividends have been paid.

On 1st May, 1986 the partners of Baker Harris Saunders ("the Partnership") assigned to BHS, by way of gift, the goodwill, interest and connection of the partners in the Partnership business together with the benefit of any contracts of the Partnership business and all the issued share capital of Bahasa Service Company Limited ("Bahasa"). Bahasa thus became a wholly owned subsidiary of BHS.

We have examined the accounts of the Partnership and Bahasa for the period of seventeen months ended 30th April, 1982 and for each of the first years ended 30th April, 1983 to 1986, and of BHS for the period from 3rd July, 1986 (the date of incorporation) to 30th April, 1986. We have been auditors of BHS and Bahasa throughout the period covered by this report. The accounts of the Partnership were not audited when drawn up and have now been audited by us for the purposes of this report.

We refer to BHS, the Partnership and Bahasa collectively as "the Group". The financial information set out in this report has been prepared on a proforma consolidated basis as if the Group had been in existence with its present structure throughout the period under review. The financial information has been presented after making such adjustments as we consider appropriate and includes the accounts of the Partnership as if the business of the Partnership had been conducted by a limited company. The principal adjustments relate to the inclusion of notional directors' remuneration and the treatment of partners' drawings and notional corporation tax. No profits have been distributed to former Partners, now the Directors of the Company, out of the assets of the Group since 1st May, 1986. In the future, profits may only be distributed by way of dividend on the issued Ordinary share capital of the Company.

Our work has been carried out in accordance with the Auditing Guidelines, Prospectuses and the Reporting Accountants' Report.

In our opinion the financial information set out below gives, for the purposes of the Listing Particulars to be dated 8th October, 1986, a true and fair view of the profits and sources and application of funds of the Group for the period of seventeen months ended 30th April, 1982 and the four years ended 30th April, 1983 to 1986 and the state of affairs of the Group at 30th April of each year from 1982 to 1986.

No audited accounts have been prepared for the Group for any period subsequent to 30th April, 1986.

Significant Accounting Policies

Accounting Convention: The accounts are prepared in accordance with the historical cost convention.

Turnover

Turnover comprises commissions and fees receivable, exclusive of VAT. Commissions on property transactions for clients are recognised as earned when contracts for purchase, sale or lease are exchanged, provided that the contracts will be completed. Fees for other professional services are recognised as earned when they become due and payable.

Tangible Fixed Assets

Tangible fixed assets are included at cost less related depreciation.

Depreciation

Depreciation of tangible fixed assets (including assets acquired under finance leasing contracts - see below) is provided on the straight line basis to arrive at the cost of each asset over its estimated useful life. The rates adopted are:

Table showing depreciation rates for fixtures, fittings and equipment (including computers) at 33 1/3%, and motor vehicles at 25%.

Leasing

Motor vehicles, computers and other equipment have been acquired under finance leasing contracts. These assets have been capitalised at their cash value. The financing charges have been allocated over the accounting periods in which they fall due by the sum of the digits method.

Deferred Taxation

Provision is made for deferred taxation only where there is a reasonable probability of payment in the foreseeable future.

Work in Progress

All expenditure on projects and developments is written off as incurred.

Group Profit and Loss Accounts

Table showing Group Profit and Loss Accounts for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Turnover, Staff costs, Operating charges, Profit before directors' remuneration, Profit on ordinary activities, Profit for the period, and Reserves carried forward.

Group Balance Sheets

Table showing Group Balance Sheets for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Fixed Assets, Current Assets, Creditors, Total Assets Less Current Liabilities, and Shareholders' Funds.

Group Source and Application of Funds Statements

Table showing Group Source and Application of Funds Statements for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Source of funds, Funds generated from operations, Funds from other sources, and Application of funds.

Notes to the Accounts

Table showing Notes to the Accounts for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include 1. Other operating charges, 2. Interest receivable, and 3. Interest payable.

4. Directors' remuneration

Directors' remuneration has been calculated on the basis of the remuneration payable to each Director as from 1st May, 1986, adjusted in line with the Neil Fife Index, covering the period each Director was a Director of the Partnership.

Table showing Directors' remuneration for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include 5. Taxation and 6. Earnings per share.

Table showing Taxation for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Corporation tax and Deferred tax.

The charge for taxation is based on the profit on ordinary activities as if the Group had been in existence throughout the period.

Earnings per share: Earnings per share are calculated on the profit for the year/period and on 8,505,248 Ordinary shares, being the number of Ordinary shares of the Company in issue at the date of the Listing Particulars adjusted for the capitalisation issue but excluding the Ordinary shares to be issued in connection with the Offer for Sale.

(Distributions of) Capital introduced by Partners: This comprises all amounts distributed to or introduced by Partners of the Partnership, adjusted for notional Directors' remuneration and corporation tax.

Table showing Distributions of Capital introduced by Partners for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

8. Tangible assets

Table showing Tangible assets for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Furniture, fittings and equipment, and Motor vehicles.

Table showing Motor vehicles for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Cost, Depreciation, and Net book value.

Table showing Debtors for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Trade debtors, VAT, and Other debtors.

Table showing Creditors for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Amounts falling due within one year and after more than one year.

Table showing Provisions for liabilities and charges for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Deferred taxation.

Table showing Commitments for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Capital commitments and Leasing commitments.

Table showing Finance leases for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Finance leases payable within one year and after more than one year.

Table showing Total minimum leasing payments outstanding for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Total minimum leasing payments outstanding and Less: Future leasing charges.

Table showing Net payments outstanding for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Client monies for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986). Rows include Client monies held in approved bank accounts.

Table showing Share capital and share premium account of the Company for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Issue for cash in connection with the Offer for Sale for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Issue for cash in connection with the Offer for Sale for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

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Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

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Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Issue for cash in connection with the Offer for Sale for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Issue for cash in connection with the Offer for Sale for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Following admission to the Official List for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).

Table showing Issue for cash in connection with the Offer for Sale for 17 months ended 30th April and Years Ended 30th April (1982, 1983, 1984, 1985, 1986).







(d) provisions which permit the Offer for Sale Agreement to be terminated by Rowe & Pitman Ltd. prior to the posting of Letters of Acceptance to applicants for Ordinary shares under the Offer for Sale in certain circumstances, including where any of the representations and warranties are not or have ceased to be accurate in all material respects or where, *inter alia*, any adverse political or economic situation arises which would affect the creation of a market in the Ordinary shares.

(ii) The Vendors have undertaken that they will not dispose of any Ordinary shares (other than Ordinary shares to be sold in the Offer for Sale and a total of 862,116 Ordinary shares to be transferred by them to, or to trustees to be held for the benefit of, certain members of the families conditionally on the capitalisation issues referred to in paragraph 20(c)(3) above becoming unconditional) until 30th October, 1987 and will only dispose of Ordinary shares during the twelve months following that date with the prior consent of Rowe & Pitman Ltd.

(iv) The Company and the Vendors have agreed to pay to Rowe & Pitman Ltd. a commission of 1% per cent. on the aggregate value, at the minimum tender price, of the Ordinary shares for which Rowe & Pitman Ltd. has agreed to subscribe and which it has agreed to purchase from the Vendors, respectively, and the Company has also agreed to pay to Rowe & Pitman Ltd. a fee for its services in connection with the Offer for Sale, plus value added tax to each case, out of which Rowe & Pitman Ltd. will pay a sub-underwriting commission of 1% per cent. on the aggregate value, at the minimum tender price, of the Ordinary shares being offered for sale. The Company has also agreed to pay the costs and expenses of the Offer for Sale, as set out in paragraph 10(a) below.

**7 Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the two years immediately preceding the date of this document and are or may be material:

- (i) Agreement dated 1st May, 1986 between Richard Saunders, Simon Harris, Michael Baker, Jonathan Edwards, Nicholas Baucher, Richard Hazaby and William Peach (1) and Baker Harris Saunders Limited ("BHS Limited") (2) assigning to BHS Limited, by way of gift, the business of the partnership "Baker Harris Saunders";
- (ii) Exchange of letters dated 6th May, 1986 between the partnership "Baker Harris Saunders" (1) and the directors of BHS Limited (2) assigning to BHS Limited the work in progress of the partnership as at 1st May, 1986 for a consideration of £100;
- (iii) Agreement dated 18th September, 1986 between Richard Saunders, Simon Harris, Michael Baker, Jonathan Edwards, Nicholas Baucher, Richard Hazaby and William Peach (1) and the Company (2) whereby the issued share capital of BHS Limited was transferred to the Company in exchange for an issue of 70,000 ordinary shares of £1 each in the Company credited as fully paid; and
- (iv) The Offer for Sale Agreement described in paragraph 6 above.

**8 Litigation**

Neither the Company nor either of its subsidiaries is engaged in any litigation or arbitration, and no litigation, arbitration or claim is known to the Directors to be pending or threatened against the Company or either of its subsidiaries which may have, or has had, during the twelve months prior to the date hereof, a significant effect on the Group's financial position.

**9 Group Properties**

Details of the properties occupied by the Company and its subsidiaries are as follows:

Address	Use	Gross Internal Area (sq ft)	Tenure	Rent
Blackwell House, Guildhall Yard, London, EC2	Head Office and principal administrative establishment	5,000	Leasehold unexpired term 20 years from 25th March, 1984	£75,000 per annum (exclusive)
3rd Floor, 2-9 Matsons Avenue, London, EC2	Additional Office space	999	Agreement for lease dated 16th September, 1986 in respect of a lease to be granted for a term to expire on 23rd June, 1987	£34,091 per annum (inclusive)

**10 Details of the Offer for Sale**

(i) Application has been made to the Council of The Stock Exchange for the Ordinary shares to be admitted to the Official List. 2,500,000 Ordinary shares are being offered for sale at a minimum tender price of 150p per share, the price tendered being payable in full on application.

(ii) The costs and expenses of and incidental to the Offer for Sale (which are payable by the Company) including capital duty, the costs of the application for listing of the Ordinary share capital of the Company, accountancy fees, the Company's and Rowe & Pitman Ltd.'s legal fees, the costs of printing and advertising this Offer for Sale, the fees and expenses of the receiving bankers and the registrars, and the fee and commission payable to Rowe & Pitman Ltd., are estimated to amount to £486,000 exclusive of value added tax based on the minimum tender price. For each 5p by which the striking price exceeds the minimum tender price, the Company will pay an additional £750 in capital duty. The premium on the issue of each new Ordinary share will be the striking price less 10p. The total remuneration of Rowe & Pitman Ltd. and sub-underwriters payable by the Company, including underwriting fees and commissions, amounts to £102,000 (exclusive of value added tax).

(iii) It is expected that Letters of Acceptance will be posted to successful applicants on Tuesday 21st October, 1986, that dealings will commence on Wednesday 22nd October, 1986 and that the admission of the Ordinary shares to the Official List will become effective on that date. Details of stamp duty and stamp duty reserve tax in connection with the Offer for Sale are set out under "Basis of Acceptance and Dealing Arrangements" below.

**11 Taxation**

(i) The Directors have been advised that, following the Offer for Sale, the Company will continue to be a close company within the meaning of the Income and Corporation Taxes Act 1970.

(ii) Clearance under Section 464 of the Income and Corporation Taxes Act 1970 and Section 88 of the Capital Gains Tax Act 1979 have been obtained by the Group reorganisation carried out in connection with the Offer for Sale. Clearance has also been obtained under the provisions of paragraph 18, Schedule 16 Finance Act 1972 in respect of the year ended 30th April, 1985 in respect of Balassa Service Company Limited.

(iii) In accordance with current legislation in the United Kingdom, when paying a dividend, the Company is required to account to the Inland Revenue for Advance Corporation Tax ("ACT") at a rate which currently is 20% of the dividend paid. United Kingdom resident shareholders are entitled to a tax credit in relation to the dividend received of an amount equal to the ACT paid by the Company on the dividend.

(iv) Individual United Kingdom resident shareholders may be liable to higher rates of income tax on the total of the dividend and the tax credit, but the tax credit satisfies any liability in basic rate tax in respect of the dividend and will entitle such shareholders to a repayment of tax from the Inland Revenue to the extent that, because of personal allowances or other reliefs, there is no liability to tax on the dividend. United Kingdom resident corporate shareholders will not be liable in corporation tax on dividends received and they may use the tax credit to set against their own liability to account for ACT on dividends declared by them.

The entitlement of non-United Kingdom resident shareholders to a payment from the Inland Revenue of a proportion of the tax credit in respect of dividends on shares depends in general upon the provisions of any double tax convention or agreement which exists between individual countries and the United Kingdom. Non-United Kingdom residents should consult their own tax advisers on the possible application of such provisions, the procedure for claiming payment and which relief or credit may be claimed in the jurisdiction in which they are resident.

(v) Application has been made to the Inland Revenue in respect of the agreement referred to in paragraph 7(ii) above for exemption from ad valorem stamp duty under Section 77 of the Finance Act 1986 and from capital duty under Section 47 of the Finance Act 1978.

**12 General**

(i) The Directors are of the opinion that, taking into account the Group's existing bank facilities and the proceeds of the Offer for Sale receivable by the Company, the Group will have sufficient working capital for its present requirements.

(ii) Robson Rhodes have given and have not withdrawn their written consent to the issue of this document with the inclusion of their letter relating to the profit forecast and the Accounts Report and the references therein and to themselves in the form and context in which they are included. Rowe & Pitman Ltd. has given and has not withdrawn its written consent to the issue of this document with the inclusion of its letter relating to the profit forecast and the references therein and to itself in the form and context in which they are included.

(iii) The annual accounts of the partnership "Baker Harris Saunders" and of Balassa Service Company Limited ("Balassa") for each of the three financial periods ended on 30th April, 1986 have been audited by Robson Rhodes, Chartered Accountants, of 186 City Road, London EC1V 2NL.

The financial information contained in this document does not amount to full accounts within the meaning of Section 254 of the Companies Act 1985. Full audited accounts of Balassa in respect of each of the five financial periods ended on 30th April, 1986 have been delivered to the Registrar of Companies in England and Wales: Robson Rhodes have made a report under Section 286 of the Companies Act 1985 in respect of each such set of accounts, and each such report was an unqualified report as defined in Section 271 of the Companies Act 1985.

Neither the Company nor Baker Harris Saunders Limited has prepared annual accounts since incorporation.

(iv) Save as disclosed herein, there has been no significant change in the trading or financial position of the Group since 30th April, 1986.

(v) Applications must be received by 10 a.m. on Wednesday 15th October, 1986 when the application list will open; it may be closed at any time thereafter.

(vi) The Directors believe that the Group maintains adequate insurance cover for its line of business. In addition the Group maintains keyman life insurance policies over the lives of Simon Harris, Michael Baker and Jonathan Edwards in the total sum of £3.25m which the Group anticipates decreasing to nil at the end of three years.

(vii) The average number of employees of the firm over the past three financial years are as follows:

1984	31
1985	38
1986	38

(viii) There have not been any interruptions to the business of the Group, which may have, or have had, a significant effect on the financial position of the Group in the last twelve months.

**13 Documents Available for Inspection**

Copies of the following documents may be inspected at the registered office of the Company at Blackwell House, Guildhall Yard, London EC2V 5AB and at the offices of Adams, Morris, Crisp, Broadhurst House, 7 Eldon Street, London, EC2M 7HD during usual business hours on any weekday, Saturdays and public holidays excepted, for a period of fourteen days following the date of this document:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the audited accounts of each of the partnership "Baker Harris Saunders" and Balassa for the two years ended 30th April 1986;
- (iii) the Accountants' Report and statement of Robson Rhodes setting out the adjustments made by them in arriving at the figures shown in their report included herein and giving the reasons therefor;
- (iv) the service agreements referred to in paragraph 5 above;
- (v) the material contracts referred to in paragraph 7 above;
- (vi) the written consents referred to in paragraph 12 above; and
- (vii) the rules of the employee share schemes referred to in paragraph 4 above.

8th October, 1986.

**TERMS AND CONDITIONS OF APPLICATION**

(a) The contract created by the acceptance of applications in the manner herein set out will be conditional on the Council of The Stock Exchange admitting the whole of the Ordinary share capital of Baker Harris Saunders Group plc (the "Company"), issued and now being issued, to the Official List, and such admission becoming effective in accordance with the Rules of The Stock Exchange, not later than 24th October, 1986 and on the Offer for Sale Agreement not being terminated in accordance with its terms prior to the posting of Letters of Acceptance. If the application is not accepted or if any contract by acceptance does not become unconditional or if any application is accepted for fewer Ordinary shares than the number applied for or at a lower price per Ordinary share than that tendered, the application money, or the balance of the amount paid on application, will be returned without interest and at the risk of the applicant.

(b) Rowe & Pitman Ltd. ("Rowe & Pitman") reserves the right to present all cheques and banker's drafts for payment on receipt, to retain Letters of Acceptance and surplus application moneys pending clearance of successful applicants, and to reject any application or to accept a whole or part and in particular multiple or suspected multiple applications made at the same tender price.

(c) By completing and delivering an application form you (as the applicant(s)):

- (i) offer to purchase the number of Ordinary shares specified in your application form (or any smaller number for which the application is accepted) at the price per share indicated in the application form (or any lower price for which the application is accepted) subject to the prospectus relating to the Company dated 8th October, 1986 (the "Listing Particulars"), these terms and conditions and the Memorandum and Articles of Association of the Company;
- (ii) authorise National Westminster Bank PLC on behalf of Rowe & Pitman to send a fully paid non-negotiable Letter of Acceptance for the number of Ordinary shares for which your application is accepted, and/or the cheque or banker's draft accompanying the application or a crossed cheque for any money returnable, by post to your address (or that of the firm-named applicant) as set out in your application form and to procure that your name (together with the name(s) of any other joint applicant(s)) is placed on the register of members of the Company in respect of such Ordinary shares the entitlement to which has not been duly renounced;
- (iii) agree that in consideration of Rowe & Pitman agreeing to accept and process applications on the terms and subject to the conditions of the Offer for Sale, your application may not be revoked until 24th October, 1986 and that this paragraph together with the collateral contract between you and Rowe & Pitman, which will become binding upon despatch by post or delivery of the application form duly completed to National Westminster Bank PLC, New Issues Department;
- (iv) warrant that your remittance will be honoured on first presentation;
- (v) agree that any Letter of Acceptance and any money returnable to you may be retained pending clearance of your remittance;
- (vi) agree that all applications, acceptances of applications and moneys resulting therefrom under the Offer for Sale will be governed by and construed in accordance with English law;
- (vii) warrant that, if you sign the application form on behalf of somebody else or on behalf of a corporation, you have due authority to do so; and
- (viii) confirm that in making such application you are not relying on any information or representation in relation to the Company, or to either of its subsidiaries, other than those contained in the Listing Particulars and you accordingly agree that no person responsible solely or jointly for the Listing Particulars or any part thereof will have any liability for any such other information or representation.

(d) The striking price and the basis of allocation will be determined by Rowe & Pitman in so determining Rowe & Pitman will have regard to the need to establish a satisfactory market in the Ordinary shares, for which purpose a reasonable number of shareholders is required. Formal acceptance of applications will be effected, at the election of Rowe & Pitman by notification either to The Stock Exchange or to National Westminster Bank PLC of the striking price and the basis on which applications have been accepted.

(e) Preference will be given in respect of a maximum of 250,000 Ordinary shares being offered for sale at the striking price to applications made by employees of the Company or its subsidiaries on the preferential application forms available to them which specify the amount of money to be spent rather than the number of shares for which application is made. In the event of excess preferential applications being received from employees, the basis of allocation will be determined by Rowe & Pitman at its discretion.

(f) All documents and cheques sent by post by Rowe & Pitman or by National Westminster Bank PLC will be at the risk of the purchaser(s) until receipt.

(g) No person receiving a copy of the Listing Particulars, or an application form, in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in any event do so unless the application form, to the relevant territory, such an invitation could lawfully be made to him and such application form could lawfully be used without the consent of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application for Ordinary shares to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents or observing any other formalities needing to be observed in such territory.

(h) The procedure for application and the basis of acceptance and dealing arrangements form part of these terms and conditions.

Copies of these Listing Particulars may be obtained from the registered office of the Company at Blackwell House, Guildhall Yard, London EC2V 5AB and from:

Rowe & Pitman Ltd., 1 Emsbury Avenue, London EC2M 2PA. National Westminster Bank PLC, New Issues Department, 2 Princes Street, London EC2P 2BD.

**PROCEDURE FOR APPLICATION**

An applicant may offer to purchase Ordinary shares either at the minimum tender price or at a higher price which is a whole multiple of 5p. The price at which applications for Ordinary shares are accepted is known as the "Striking Price", and will not be less than the minimum tender price. If applications are received for more than the total number of Ordinary shares being offered, the Striking Price will be decided by Rowe & Pitman. In deciding the Striking Price, applications are accepted for the total number of Ordinary shares being offered for sale and will be decided by Rowe & Pitman. In deciding the Striking Price, applications are accepted for the total number of Ordinary shares being offered for sale and will be decided by Rowe & Pitman. In deciding the Striking Price, applications are accepted for the total number of Ordinary shares being offered for sale and will be decided by Rowe & Pitman. In deciding the Striking Price, applications are accepted for the total number of Ordinary shares being offered for sale and will be decided by Rowe & Pitman.

- Insert in Box 1 (in figures) the number of Ordinary shares for which you are applying. Applications must be for a minimum of 400 Ordinary shares and in the case of the following multiples:
  - for not more than 1,000 shares, in multiples of 100 shares;
  - for more than 1,000 shares, but not more than 5,000 shares, in multiples of 500 shares;
  - for more than 5,000 shares, but not more than 10,000 shares, in multiples of 1,000 shares;
  - for more than 10,000 shares, but not more than 50,000 shares, in multiples of 5,000 shares;
  - for more than 50,000 shares, in multiples of 10,000 shares.
- Insert in Box 2 (in figures) the price you are willing to pay for each Ordinary share.
- Applications must be made either at the minimum tender price of 150p or at any higher price which is a whole multiple of 5p.
- Insert in Box 3 (in figures) the amount of your cheque or banker's draft.
- The amount of your cheque or banker's draft should be the price you have inserted in Box 2 multiplied by the number of Ordinary shares inserted in Box 1.
- Sign and date the application form in Box 4.
- The application form may be signed by someone else on your behalf (and/or on behalf of any joint applicant(s)) if duly authorised to do so, but the power(s) of attorney must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity must be stated.
- Insert your full name and address in BLOCK CAPITALS in Box 5.
- You must pin a single cheque or banker's draft to your completed application form. Your cheque or banker's draft must be made payable to "National Westminster Bank PLC" for the amount negotiable on application inserted in Box 3 and should be crossed "Not Negotiable - Baker Harris Saunders Group plc".

No receipt will be issued for this payment, which must be solely for this application. Your cheque or banker's draft must be drawn in sterling on an account in a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the London or Southern Clearing Houses or has arranged for its cheques and banker's drafts to be presented for payment through the clearing facilities provided for its members of those Clearing Houses and must bear the appropriate code number in the top right hand corner. Applications may be accompanied by a cheque drawn by someone other than the applicant(s), but any moneys to be returned will be returned by sending the cheque or banker's draft accompanying the application to, or by crossed cheque in favour of the person(s) named in Box 5 (part 7). A separate cheque or banker's draft must accompany each application. An application will not be considered unless these conditions are fulfilled.

You may apply jointly with other persons. You must arrange for the application form to be completed by or on behalf of each joint applicant (up to a maximum of three other persons). Their full names and addresses should be inserted in BLOCK CAPITALS in Box 7.

Box 8 must be signed by or on behalf of each joint applicant (other than the first applicant who should complete Box 5 and sign in Box 4). If anyone is signing on behalf of any joint applicant(s), the power(s) of attorney must be enclosed for inspection.

You must send the completed application form by post, by delivery by hand, to National Westminster Bank PLC, New Issues Department, P.O. Box 79, 2 Princes Street, LONDON EC2P 2BD so as to be received not later than 10.00 a.m. on Wednesday, 15th October, 1986. If you post your application form, you are recommended to use first class post and allow at least two days for delivery. Photocopies of application forms will not be accepted.

**BASIS OF ACCEPTANCE AND DEALING ARRANGEMENTS**

The application list will open at 10.00 a.m. on Wednesday, 15th October, 1986 and will close as soon thereafter as Rowe & Pitman may determine. The Striking Price and the basis on which applications have been accepted will be announced as soon as possible after the application list closes. It is expected that temporary documents of title, in form of renounceable Letters of Acceptance, will be posted to successful applicants on Tuesday, 21st October, 1986. Dealings in the Ordinary shares are expected to commence on Wednesday, 22nd October, 1986.

Letters of Acceptance will be negotiable documents and will be renounceable until 3.00 p.m. on 28th November, 1986; after this time, an instrument of transfer must be used. Detailed instructions will be set out in the Letter of Acceptance.

Arrangements have been made for registration of all the Ordinary shares now offered for sale, free of registration fees, in the names of purchasers or persons in whose favour Letters of Acceptance are duly renounced. Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration by 8.00 p.m. on 28th November, 1986. Share certificates will be despatched by first class post on or before 2nd January, 1987.

- The Directors have been advised that:
- no stamp duty or stamp duty reserve tax will be payable on the issue of renounceable Letters of Acceptance;
  - no stamp duty or stamp duty reserve tax will be payable on a transfer of a renounceable Letter of Acceptance pursuant to an agreement entered into before the date on which the rule of The Stock Exchange that prohibits a person from carrying on business as both a broker and a jobber is abolished, which is expected to be 27th October, 1986;
  - the purchaser of rights to shares represented by a renounceable Letter of Acceptance on or before the latest time for registration of renounceable Letters of Acceptance (pursuant to an agreement entered into before or after the date referred to in (i) above) will be liable to stamp duty reserve tax at the rate of 1/2 of the net of the actual consideration paid;
  - the transfer on issue of a Letter of Acceptance after the last date for registration of renounceable Letters of Acceptance will be subject to ad valorem stamp duty (or, if an unconditional agreement to transfer the letter is not completed by a duly stamped transfer within two months, stamp duty reserve tax) at the rate of 1/2 of one per cent. of the consideration paid; and
  - no stamp duty or stamp duty reserve tax will be payable on the registration of renounced Letters of Acceptance.

**BAKER HARRIS SAUNDERS GROUP plc APPLICATION FORM**

Offer for Sale by Tender by Rowe & Pitman Ltd. of 2,500,000 ordinary shares of 10p each in Baker Harris Saunders Group plc ("Ordinary shares") at a minimum tender price of 150p per share, the price tendered being payable in full on application.

I/we offer to purchase from Rowe & Pitman Ltd.

1 Ordinary shares of Baker Harris Saunders Group plc (or any smaller number of shares for which this application is accepted) at

2 p

per Ordinary share (or any lower price for which this application is accepted) on the terms and conditions attaching to this application and subject to the Memorandum and Articles of Association of Baker Harris Saunders Group plc

3 and I/we attach a cheque or banker's draft for the amount payable, namely £

Dated \_\_\_\_\_ 1986

Signature \_\_\_\_\_

PLEASE USE BLOCK CAPITALS

Mr. Mrs. Miss (write in full) (insert name(s))

Surname \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Pin here your cheque/banker's draft for the amount in Box 3

PLEASE USE BLOCK CAPITALS

Mr. Mrs. Miss (write in full) (insert name(s))

Mr. Mrs. Miss (write in full) (insert name(s))

Mr. Mrs. Miss (write in full) (insert name(s))

Surname \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Britain's

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HONDA



Motoring by Clifford Webb

Britain's new star takes the stage

Next week's NEC motor show will be quite a nostalgic affair. A British motoring public starved of home-grown successes will find that the star of the show is a new luxury saloon built by a very profitable British company which exports more than half its entire production to the huge American market.

The new Jaguar XJ6, which replaces the 18-year-old XJ6 Series III range, has been a long time coming. It is more than seven years since the £200m development programme began.

Inevitably there will be disappointment in some circles that the newcomer looks so much like the old one. However when you realise that its fiercest competitor was its predecessor, the resemblance is not really surprising. American dealers with budgeting order books for the old Series III had a collective sigh of relief when they saw the new model for the first time. But under the skin the changes are both extensive and excitingly innovative.

The 2.9-3.6 litre AJ6 aluminium engine is more powerful, more economical and 25 per cent lighter than the old 4.2 litre cast iron unit. When it first appeared in the low volume XJS convertible and coupe models two years ago it was criticised for being "thrashy" and running out of breath at even moderate revs. Jaguar's engineering team have put the intervening period to excellent use however to develop and refine the design so that motoring writers who tested it recently reported themselves delighted with the changes. It is now much quieter, extremely smooth and accelerates so willingly that the rev limiter cutting in is your first real indicator that you are up to 6,000 rpm and going into the red sector.

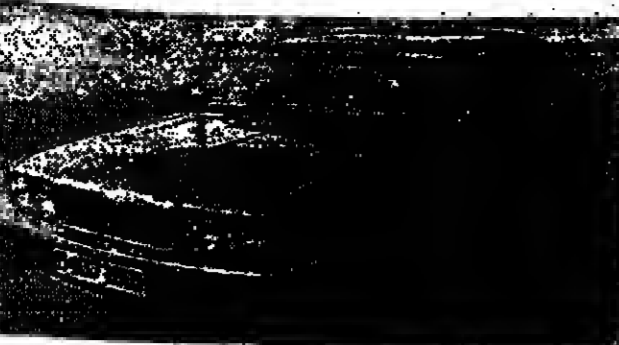
Electrical faults are still among the most frequent causes of breakdown, a problem which has been accentuated by the increasing number of electrically-powered appliances. Future cars will almost certainly adopt the multiplex wiring system with a single "ring main" round the body carrying coded signals to different electrical devices. To date, however, no one seems to have come up with a practical multiplex system which does not suffer from outside radio interference.

In the meantime Jaguar has produced its own halfway best combinations I have driven for a very long time. In their search for fuel-saving sleekness some manufacturers have sacrificed 30-watt stability at speed. Jaguar has succeeded in retaining and improving its exceptional resistance to wind buffeting with the help of a discreetly styled front air dam and subtle lip on the boot lid.

The new car is only a shade over one inch longer but has considerably more interior space. In one respect the old XJ6 was a clear world leader. Nothing, not even a Mercedes coachwork, could match its superb ride-comfort. But one of the cornerstones of this refined ride was weight. Nothing damps out unwarranted bumps like weight and to meet performance and fuel consumption targets its replacement had to be appreciably lighter. The alloy engine saved 120 lbs but despite the use of thinner glass, lighter gearboxes and wiring harness the total saving was only 200 lbs. I gather this was the absolute maximum the engineers were prepared to sacrifice without reducing the ride quality.

Jaguar insists it is not spreading down-market from true luxury cars into the much bigger and cheaper executive car sector. But by pricing the cheapest model - the Jaguar XJ6 2.9 litre - at a very competitive £16,495 it is now over-£2,000 cheaper than Rover's new Sterling and £1,060 less than Ford's Granada Scorpio.

However, both these rivals have Bosch anti-lock brakes as standard equipment, while they cost an extra £1,050 on the XJ6. Sovereign and Daimler versions costing from £22,995 to £28,495 have them as standard equipment.



The new Jaguar XJ6: a family resemblance

house approach using a low current earthing switching system which is 50 per cent lighter and more reliable than existing wiring harnesses. But any wiring system is only as good as its connectors so Jaguar has turned to the aircraft practice of "click-home" connectors which are claimed to be virtually foolproof.

Another first is the new so-called "J-Gate" automatic transmission selector. The long leg of the "J" gives normal control modes "N" (Parking), "R" (Reverse), "N" (Neutral), and "D" (Drive). Switch the lever round the loop to the short leg of the "J" and you have a manual system labelled "D", "3" and "2". It is extremely easy to operate and will be a boon to the more sporting driver for when descending steep hills. In the German ZF gearbox "3" equates to a normal top gear while "D" is a long legged overdrive fourth.

Manual gearboxes have been shunned by Jaguar drivers for many years. Anyone who has ever driven a manual XJ6 will know why. The changes were physically demanding and dreadfully out of character for the BMC ancestry. Most luxury car buyers opt for automatics anyway.

That has changed with the arrival of the new XJ6. It is much more sporty in its power delivery and handles like a car half its weight. Together with a driving position which is noticeably less armchair-like it will appeal to those younger drivers who tended to regard the old XJ6 as rather staid.

To use this new found freedom, Jaguar has introduced a second German gearbox, this time a five-speed manual Getrag as standard equipment on the XJ6 2.9 and 3.6 models and a no-cost option on the more expensive Sovereign and Daimler versions.

I found the new engine and manual gearbox one of the

best combinations I have driven for a very long time. In their search for fuel-saving sleekness some manufacturers have sacrificed 30-watt stability at speed. Jaguar has succeeded in retaining and improving its exceptional resistance to wind buffeting with the help of a discreetly styled front air dam and subtle lip on the boot lid.

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Legend which will also be seen at next week's show and should reach the first customers in January.

This Japanese version of the new Rover 800 executive saloon will only be sold with two levels of trim and equipment - a basic model costing between £14,500 and £15,000 and a top-of-the-range model costing some £17,000. That puts it in the same price bracket as the Jaguar XJ6 2.9 and appreciably cheaper than the £18,794 Rover Sterling which is, I fear, looking overvalued.

A 60-mile drive in one of the first Legends to leave the Cowley production line suggests it is a completely refined new contender in the already overcrowded executive car sector.

There is a clear family likeness between the jointly designed Honda and Rover models. They share the same floorpan but express their individuality with different radiator grilles, nose and bonnet lines, bumpers and tail "skin".

They share Honda's controversial, new, alloy 2.5 litre 24 valve, 90-degree V6 engine driving the front wheels from a transverse layout.

The road-going engine is one of the most powerful in its class but suffers in an executive role from a narrow power band. Most cars in this sector are automatic. The ideal companion for an automatic is a big "torque" engine like the 3.5 litre V8 in the old Rover SD1 model. It makes for very relaxed driving. The Honda engine however spends too much time hunting between third and top gear as it tries to stay on the narrow power band.

Honda acknowledged this by labelling the selector lever "D3" and "D4". The implication is clearly that "D3" should be used as a normal top gear with "D4" reserved as an overdrive for high-speed cruising.

Reports from America where Japanese-made Legends have been on sale for several months suggest that Honda is preparing a slightly bigger 2.7 litre version which will have a much flatter power curve. In the meantime I suggest Austin Rover would be well advised to modify their "selector-to-locate" "Drive" and "Overdrive".

Honda Legend

An obvious competitor for the cheapest Jaguar will be the new British-assembled Honda

CAR BUYERS' GUIDE

Advertisement for Jaguar & Daimler authorised dealers. Includes logos for Jaguar and Daimler, and lists of cars for sale from various dealers like Chelmsford's Jaguar Specialists, Creamer of Kensington, St Helier Jersey, Mann Egerton, Dutton-Forsshaw, and others. Lists include models like Jaguar XJ6, XJS, and Daimler Sovereign.

Advertisement for TUNGSTON ISUZU CARS. Features the ISUZU PLAZZA TURBO and contact information for 207 Regents Park Road, Finchley, Central London N3. Phone: 01-346-8070.

Advertisement for VOLKSWAGEN PANEL VANS. Payload 2530 Kg. Due to a change in operations a major U.K. Transport Company offers for immediate delivery a number of V.W. LT45 TURBO DIESEL HIGH ROOF PANEL VANS. Contact: NORMAN DUCKWORTH OF JACK KNAPTON on (070682) 7611.

Advertisement for CAR Cellnet VODAFONE PHONES. Special offer: £899. Includes contact information for SPACE-TEL LTD. Phone: 01-427-6848.

Advertisement for RANGE ROVER VOGUE EFL 1986 C. All makes. Best prices. Barry Hirst. Phone: 0972-9521. Also includes Renault GTA V6 TURBO advertisement.

Advertisement for Neale of Hertford THE CHAIRMAN'S SELECTION. Lists various car models and prices. Phone: 0992 553011.

Advertisement for HONDA. Features the HONDA CONVERTIBLE 205 GTI. Finished in Azure blue. Delivery mileage only due to cancelled order. Phone: 0625 32551 T.

Advertisement for ALWAYS REQUIRED. Executive, Saloon and Sports, low mileage, clean cars with history. Call Tom: 821 427 3235.

Advertisement for MERCEDES. Lists various models like 380 SEL, 280 SL, 190 E 2.3 16V, 230 E W123, 280 SE, 500 SEL, 190E. Includes contact information for West Lane Garage.

Advertisement for HONDA. Lists various models like HONDA CIVIC, HONDA ACCORD, HONDA CRUXER. Includes contact information for West Sussex Sole Distributors.

Advertisement for RENAULT. Lists various models like RENAULT 5, RENAULT 11, RENAULT 17. Includes contact information for Renault.

Advertisement for MERCEDES WANTED. Lists various models like 280 E 2.5, 280 E 2.3, 280 E 2.5, 280 E 2.5, 280 E 2.5. Includes contact information for London Road Garage.

Advertisement for MERCEDES 500 SEL. 1982. 5 registration. First class condition. Contact: 01-801-6321.

Advertisement for MERCEDES 500 SEL. 1985 C Registered. Diamond Blue. Price Gray. Contact: 01-370-6816.

Advertisement for RIVERVALE of Pangbourne (07357) 3322. Sunday Telephone (0638) 620993. Lists various car models and prices.

Advertisement for AUTONEA. Lists various car models and prices. Phone: 01-654-1254.

Advertisement for Vauxhall Cavalier Convertible 1.8i. Finished in Flako white. Delivery mileage only. Phone: 01-876-7838.















MOTOR RACING

Mansell and partner go flat out to hold off the world

From John Blunsden, Mexico City

Only too aware of the competition between their two drivers, and the ambition of each of them to become world champion, the Canon Williams-Honda team are redoubling their efforts in the run-up to Sunday's Mexican Grand Prix to ensure that Nigel Mansell and Nelson Piquet come to the start line with an equal chance of winning the race.

Children's project is delayed

The Sports Council's research project into the effect of intensive sports training on young children, announced in April, is likely to start a year later following disagreements between the Department of Sport and the Sports Council over the funding of the scheme.

Cudmore back on song as French are left trailing

White Crusader's crew put a shine back on America's Cup hopes when they sailed to victory over Challenge France - the troubled French boat which has yet to record a win in the initial round-robin series off Fremantle.

Boxing Bugner 'twice as sharp' against Bey

Sydney (Reuters) - Joe Bugner, Britain's former European heavy-weight champion, who is expected to become an Australian citizen later this month, will continue his latest comeback with a contest against David Bey, of the United States, on November 14, Bill Vertec, the promoter, said yesterday.

Japanese move

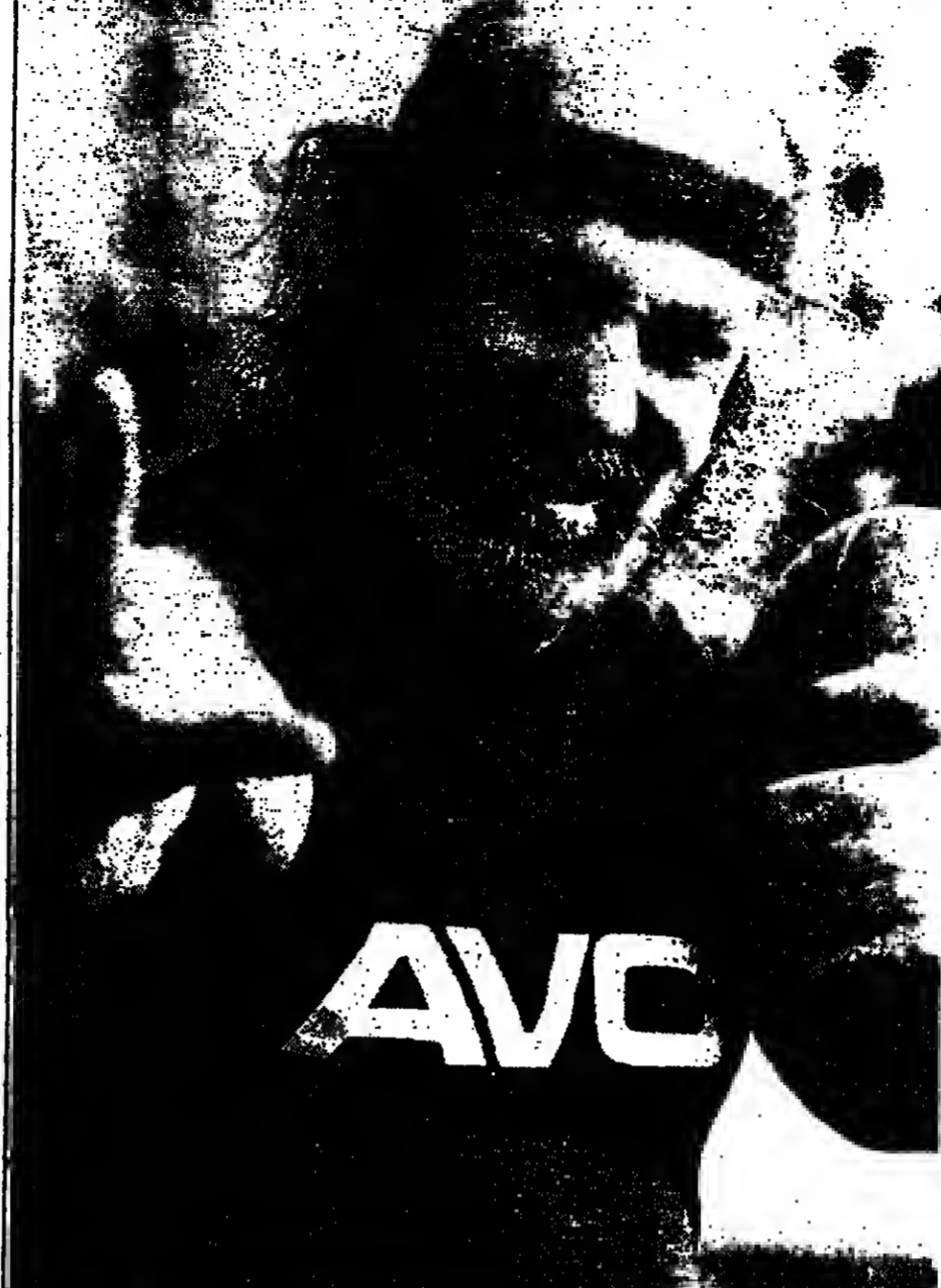
Tokyo (AP) - Officials of the Japanese Government, disturbed by Japan's poor showing in the recent Asian Games in Seoul, have agreed on the need to promote athletics among the young people.

Stockport to try again

Stockport County football club are making a second attempt to join the Rugby League just five months after their first approach was turned down (Keith Macklin writes).

Gray starts ban

Andy Gray, the Crystal Palace forward, starts a two match ban tomorrow after being sent off against Reading and will miss the visit to Leeds.



Living legend: Bruce Doull, the "Flying Doormat", who bows out of Australian Rules Football at the Oval on Sunday

Sad farewell for an Australian idol

By John Goodbody

Not since Don Bradman played his last Test innings in 1948 has the Kennington Oval staged a sports event of such acute sentimentality for Australians.

LEADING POSITIONS

Table showing leading positions in various motorsport events, including names like New Zealand IV, Stars and Stripes, and drivers like Tom Blackaller.

TODAY'S RACES

Table listing today's races, including events like Wally Lewis, and drivers like Tom Blackaller, with race numbers and times.

BADMINTON

Mixed fortune for Troke in Masters draw. Helen Troke, England's European singles champion, was both optimistic and disappointed after yesterday's draw for the British Airways Masters tournament at the Albert Hall starting on October 24.

A promise kept

Mick Lyons, the Grimby Town manager, kept a promise to Mick Jones, manager of Halifax Town, made two weeks ago, when he agreed yesterday afternoon to release Neil Mortzen, forward, to Halifax on a month's loan.

England's captain will lead Great Britain

By Joyce Whitehead

Barbara Hambly, the England captain, has been selected to lead Great Britain, with Violet McBride, Northern Ireland's only representative in the team vice-captain. The squad will rehearse again this weekend at Lilleshall.

Farnborough fliers are stealing the show

By Paul Newman

If Yeovil Town and Wycombe Wanderers were starting to believe that the race for this season's Vauxhall-Opel League championship was developing into a private duel between them, recent events will have radically changed their thinking.

SCHOOLS RUGBY

Sherborne triumphant in awe-inspiring start. Sherborne have made a marvellous start to the new season, beating Bishop Wordsworth's School (40-0), Bryanston (48-12), and Canford (31-6), having already won the Douai Festival. But they met stern opposition in Tuesday when they visited Christ's College, Brecon.

TODAY'S FIXTURES

Table listing today's fixtures across various sports including Football, Snooker, Squash, and Table Tennis.

HOCKEY More authority is England's need

By Sydney Friskin

As the six teams in group B resume their World Cup challenge at Willesden today England have a little time to plan their strategy for the two remaining group A matches, the results of which will decide whether or not they qualify for the semi-finals on October 18.

Table showing the standings for Group A in the World Cup, listing teams like Netherlands, England, USSR, Argentina, Pakistan, and New Zealand with their respective wins, losses, and points.

That transformation could well be a tonic for Pakistan to play a rousing game against England. This will be a different type of match in the sense that Pakistan do not put their first trust in defence as the Russians do.

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John Oaksey in Paris

Profile: David Tatlow, showman with a flourish. Chatsworth Horse Trials - results and pictures. Top yearlings at Highflyer Sales.

Advertisement for 'HORSE ROUNDS' featuring a picture of a horse and rider, with text about racing and horse news.







Today's television and radio programmes

Edited by Peter Dear and Peter Davalle

BBC 1
6.00 Ceefax AM. News headlines, weather, travel and sports news.

TV-AM
6.15 Good Morning Britain presented by Anne Diamond and Mike Morris.

BBC 2
9.00 Ceefax. Daytime on Two: a student's eye-view of undergraduates life.

CHANNEL 4
2.20 Conference Report. Glyn Methias introduces live coverage of the Prime Minister's speech to the Conservative Party Conference.

Radio 4
On long wave. (a) Stereo on VHF 8.55. (b) Stereo on VHF 8.55. (c) Stereo on VHF 8.55.

Radio 3
8.35 Weather, 7.00 News, 7.05 Morning Concert recordings.

Radio 2
MF (medium wave). Stereo on VHF (see Radio 1).

Radio 1
MF (medium wave). Stereo on VHF (see below).

ENTERTAINMENTS
CONCERTS
AMERICAN HALL, 607-630
ROYAL OPERA HOUSE, 7-11

ENTERTAINMENTS
THEATRE
ALPHONSE, 7-11
THE ROYAL BALLET
CENTRAL BALLET OF CHINA

ENTERTAINMENTS
THEATRE
THE BUSINESS OF
THE PHANTOM OF THE OPERA
THE HIT MUSICAL COMEDY

ENTERTAINMENTS
THEATRE
THE ROYAL BALLET
CENTRAL BALLET OF CHINA
THEATRE OF COMEDY COMPANY



